

Services

Deposit Services



Deposit Services

Beyond earning dividends on your LGFCU Checking Account, you can put your money away and let it grow through many other avenues. It's important for you to understand your options, so we've detailed them here.

Remember, it's never too late, nor too early, to get excited about taking control of your financial future.

Share Account

At the Credit Union, members' savings accounts are called Share Accounts. In order to become a member of LGFCU, an individual must open a Share Account. There are also Fat Cat Share Accounts for members 0–12 years of age, and Zard Accounts for members 13–19 years of age.

- ◆ Minimum deposit is \$25, which must be maintained to use LGFCU services (except for Fat Cat Accounts).
- ◆ Dividend rate is determined by the board of directors and is subject to change daily. Dividends are compounded daily and paid monthly, with the period beginning on the same day as your monthly statement is created.
- ◆ If a Share Account balance drops below \$25 on the statement cutoff date, a \$1 service charge is assessed (except for Fat Cat Accounts).

- ◆ Funds may be accessed through the CashPoints and Visa®/PLUS ATM networks, 24-Hour Voice Response, Member**Connect**, Member**Connect** Mobile and at any branch office.
- ◆ Share Accounts may be used as collateral on Credit Union loans.
- ◆ Monthly statements will list account balance, all transactions for the statement cycle and current dividend rate.

Checking Account

LGFCU's Checking Account is an insured account that offers convenience and affordability.

- ◆ Dividends are compounded daily and paid monthly. Dividend period begins on the same day as your monthly statement is created.
- ◆ No minimum deposit is required.
- ◆ There is no minimum balance required after initial deposit.
- ◆ Funds may be accessed through the CashPoints and Visa/PLUS ATM networks, 24-Hour Voice Response, Member**Connect**, Member**Connect** Mobile and at any branch office.
- ◆ Monthly statement will list the account balance, all transactions for the statement cycle and current dividend rate.
- ◆ Zard Checking Accounts are available for members 13–19 years of age.

Golden Circle Checking

If you are a member of LGFCU and 50 years or older, you qualify for membership in the Golden Circle Club. As your financial needs change, LGFCU wants to have the right services and benefits available for you.

- ◆ Cashier's checks at no charge
- ◆ Two free boxes of checks per year
- ◆ Two U.S. wire transfers each month at no charge

CashPoints Global

CashPoints Global (CPG) is a non-dividend bearing, controlled-spending account that's only accessible electronically by using a CPG card. It can be used anywhere the Visa logo is displayed, and is perfect for anyone who likes to travel, students, or anyone who wants an alternative to the traditional checking account.

- ◆ Individual account ownership with one card only
- ◆ Access your account through the CashPoints and Visa/PLUS ATM networks, 24-Hour Voice Response, Member**Connect**, Member**Connect** Mobile and at any branch office.
- ◆ E-statements
- ◆ \$1 monthly maintenance fee
- ◆ Funds can be added to the account at any time.

Money Market Share Account

LGFCU's Money Market Share Account is an insured share account that offers money market rates without tying up funds for a specific period of time. Deposits and withdrawals may be made anytime with no maturity date restrictions.

- ◆ Minimum deposit is \$250.
- ◆ Dividend rate is set by the board of directors and is subject to change daily.
- ◆ Rate is compounded daily and paid monthly. Dividend period begins on the same day as your monthly statement is created.
- ◆ If the balance falls below \$250 any day during the statement period, a \$2 fee is assessed.
- ◆ Funds may be accessed through the CashPoints and Visa/PLUS ATM networks, 24-Hour Voice Response, Member**Connect**, Member**Connect** Mobile and at any branch office.
- ◆ Monthly statement will list account balance, all transactions for the statement cycle and current dividend rate.
- ◆ Money Market Share Accounts may not be used as collateral for an LGFCU loan, nor will the Credit Union accept assignments from other creditors.

Share Term Certificates

A Share Term Certificate (Certificate or STC) is a fixed-rate, closed-end time deposit. The Credit Union agrees to pay a set dividend rate on a specific sum for a particular period of time. Certificates have an established minimum deposit amount and a predetermined maturity period. The dividend rate is fixed for the duration of the Certificate and will not fluctuate.

- ◆ Minimum deposit is \$250, and terms may be opened for six, 12, 18, 24, 30, 36, 48 or 60 months.
- ◆ No additional deposits can be added to an STC after it has been opened, and no partial withdrawals of principal are allowed.
- ◆ Dividends for all terms will automatically transfer monthly to your designated deposit account; however, for six- or 12-month term Certificates, you may specifically request the dividends be transferred at maturity or renewed with the principal.
- ◆ No service charges
- ◆ You can use Share Term Certificates as collateral on a Credit Union loan.
- ◆ There are dividend penalties for early withdrawals; either 90 days' dividends or all dividends earned, whichever is less.
- ◆ Fourteen days prior to renewal or maturity, a notice will be sent to you. A grace period of seven days after renewal is allowed for cancellation of the renewed Certificate without penalty. If cancellation occurs during the grace period, dividends will be paid from the renewal date to the cancellation date at the existing regular Share dividend rate.

Holiday Cash Club

Save throughout the year to help with holiday spending.

- ◆ No minimum deposit
- ◆ No service charge
- ◆ No penalty on early withdrawals
- ◆ Dividends are compounded daily and paid the last business day in October.
- ◆ Dividend rate is determined by the board of directors and subject to change daily.

- ◆ Funds may be accessed through the CashPoints and Visa/PLUS ATM networks, 24-Hour Voice Response, Member**Connect**, Member**Connect** Mobile and at any branch office.
- ◆ The same account can be used year after year.
- ◆ Deposits can be made through October, with the balance (plus dividends) automatically transferred to your Checking, Share or Money Market account.

Health Savings Account (HSA)

A health savings account (HSA) is a tax-advantaged account used to save and pay for qualified medical expenses. HSAs were created to work in conjunction with a high deductible health plan (HDHP) to allow individuals and employers to choose more affordable health care coverage, while also providing a tax-advantaged source of savings to pay for out-of-pocket expenses. An HSA can be opened by any eligible individual regardless of income.

- ◆ Tax-deductible contributions
- ◆ Tax-free distributions for qualified medical expenses
- ◆ Funds can remain on deposit year after year
- ◆ Funds in the account can be used to pay the qualified medical expenses of the accountholder, their spouse and dependents
- ◆ No minimum deposit or balance required to earn dividends on the account
- ◆ No monthly service charge or maintenance fee
- ◆ The dividend rate is determined by the board of directors and is subject to change daily.

ELIGIBILITY

An individual who is:

- ◆ Covered by a high deductible health plan (HDHP)*
- ◆ Not covered by another major medical plan (other than another HDHP)
- ◆ Not eligible to be claimed as a dependent on another person's tax return
- ◆ Not enrolled in Medicare

* An HDHP is a health insurance plan that has a minimum annual deductible and a maximum out-of-pocket expense cap. Contact LGFCU's Financial Planning Department at financialplanner@lgfcu.org or 877.367.5428 for additional information.

Note: HSAs can have tax consequences for non-qualified distributions. For a complete list of qualified HSA distributions, visit www.irs.gov to view publications 969 and 502. Consult your tax adviser for additional information about how non-qualified distributions could affect your tax obligations.

Individual Retirement Account (IRA)

LGFCU's Individual Retirement Accounts may offer members tax advantages, and are a great way to plan for retirement.* Most wage earners, including active participants in a company-sponsored retirement plan and the self-employed, are eligible to open an IRA. The Credit Union offers three types: the Traditional IRA, Roth IRA and Simplified Employee Pension (SEP) IRA. The minimum deposit to open an IRA is \$25. The dividend rate is subject to change daily, with dividends compounded daily and paid monthly. If the account balance drops below \$25 on the statement cutoff date, a \$1 service charge is assessed.

Roth and Traditional IRAs

See the IRA Comparison Chart on page 12 for detailed information on these IRAs.

Simplified Employee Pension (SEP)

This plan is established by a small business or a self-employed individual. The plan allows employers to make contributions toward their own, and their employees,' retirement.

HOW A SEP WORKS

- ◆ Employer must complete and sign written 5305-SEP agreement by the tax return date (plus extensions).
- ◆ Employer must give each employee a copy of the agreement and any other pertinent information.
- ◆ All eligible employees must open a SEP at their institution of choice.
- ◆ Employer will decide annually what percentage of the employee's income to contribute.

* Consult your tax adviser.

Contributions/Distributions:

- ◆ Maximum contribution cannot exceed 25 percent of employee's income up to \$49,000 for the 2011 tax year.
- ◆ All contributions must be made by the employer's tax return due date (plus extensions).
- ◆ Contributions can be made on behalf of an eligible employee after age 70½.
- ◆ Distribution rules are the same as for Traditional IRAs.

Contact LGFCU's Financial Planning Department at financialplanner@lgfcu.org or 877.367.5428 to determine which IRA is best for you.

Coverdell Education Savings Account (CESA)

The Coverdell Education Savings Account (formerly known as the Education IRA) allows individuals to save funds for educational expenses. Parents, grandparents or other individuals may establish the account in the name of the designated beneficiary. Contributions are made with after-tax dollars. Earnings are tax-deferred, and are tax-free when withdrawn to pay qualified education expenses.

Account Ownership Types

When opening your account, you will need to decide who will have access to the funds and be accountable for taxes and other responsibilities. LGFCU offers several types of options for ownership and management of your deposits. The following is a description of the various types of ownership formats available on LGFCU Share Accounts.

Individual Accounts

An individual account is owned by one Credit Union member. That member must report all dividends as taxable income. In the event of the owner's death, and upon presentation of proper documentation, the Credit Union will release funds in the account to the estate of the individual.

Joint Accounts

All joint accounts with LGFCU, regardless of who deposits the funds, shall be held by the depositors

as co-owners with the right of survivorship. The Credit Union may pay the funds in the account to, or on the order of, either or any of the joint owners named on the account. At LGFCU, joint accounts require that the money remaining in the account will belong to the surviving joint owners upon the death of one joint owner, and will not pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

Payable Upon Death Account

A Payable on Death (POD) account may be set up with multiple owners and multiple beneficiaries. The account owner(s) retains control of the funds, and dividends are earned under the primary owner's name and Social Security number. Upon the death of the last surviving owner, the money remaining in the account will belong to the beneficiary(ies), and will not be inherited by the heirs of the owner(s) or controlled by will.

Uniform Transfer to Minors Act (UTMA) Account

An UTMA is an irrevocable gift to a minor.

- ◆ A minor is a person who has not reached age 21. Adult custodian acts on behalf of the minor.
- ◆ There can only be one custodian and one minor per account.
- ◆ Dividends are taxable income to the minor, not the custodian.
- ◆ When the minor reaches age 21, the custodian is required to transfer the funds to a new account established in the minor's name, if the minor is eligible.

Personal Agency Account

Personal Agency Account allows someone to carry out account transactions for individuals unable to do so themselves.

- ◆ The agent named on the account may sign checks/withdrawals on the account and make deposits to the account.

- ◆ The member has the right to amend the personal agent at any time. The Credit Union will honor all checks written by the previous personal agent prior to the date the amendment was made.
- ◆ The personal agent's authority ends upon the death of the last account holder, and the funds remaining in the account will be controlled by the will or inherited by the heirs of the last account owner to die, or released to any POD beneficiary(ies) if the account is a POD account.

Trust Accounts

LGFCU offers both Irrevocable Trust and Revocable Living Trust deposit accounts. Trusts give legal instructions regarding how property and assets will pass to beneficiaries.

- ◆ The trustee has control of the assets/funds.
- ◆ Assets are not subject to probate.
- ◆ The trustee must show evidence of fiduciary capacity and evidence of their authority to open an account on behalf of the trust at account opening.

The Credit Union will accept no responsibility for determining whether the grantor or trustee is qualified to act or has been duly appointed to act in that capacity, nor whether any transaction involving the account is in accordance with or authorized by applicable law or the trust agreement. The Credit Union acts only as a depository for the funds.

Estate Account

An Estate Account is established to assist an executor when things need to be simple.

- ◆ The account can be opened by a representative of the estate.
- ◆ Online access provides a quick, convenient way to obtain copies of checks for estate settlement.
- ◆ Court documents showing the representative's appointment and a death certificate must be provided at account opening.

Safety

The National Credit Union Administration (NCUA) Share Insurance Fund insures all types of member deposit accounts up to \$250,000; individual retirement accounts (IRAs) are insured separately up to \$250,000. This level of protection is permanent.

This is for information purposes only, and is not to provide tax or legal advice regarding your situation. For tax or legal advice, please contact a professional.

IRA Comparison Chart

Eligibility and contribution limits based on tax year 2011.

A Traditional IRA

Am I eligible?	You must have earned income and be under age 70½ in the year the contribution is made.
How much can I contribute each year?	<ul style="list-style-type: none">✦ Individual: \$5,000✦ Married filing jointly: \$10,000 (up to \$5,000 each)
What is a “catch-up contribution?”	<ul style="list-style-type: none">✦ If you are 50 or older in the year of contribution, eligible IRA account holders can make an additional \$1,000 contribution.✦ If you are not an active participant in an employer-sponsored retirement plan, such as a 401(k), your entire contribution is tax deductible.
Can I deduct my contribution?	If you are an active participant in an employer-sponsored retirement plan, your contribution may be completely or partially deductible.
Is there a deadline for account opening and contributions?	Opening the account and making contributions for a specific year must be made by the tax filing deadline for that year.
Is there a penalty tax on excess contributions?	Yes, the IRS imposes a 6% penalty tax on excess contributions.
When must I begin taking distributions?	<ul style="list-style-type: none">✦ You may begin taking contributions at 59½ without any penalties.✦ Distributions must begin by April 1 of the year after turning age 70½.
Do I pay income taxes on withdrawals?	Yes. Any withdrawals (except non-deductible contributions) are subject to regular income taxes.
Can I make withdrawals prior to 59½?	Penalty-free withdrawals before age 59½ are allowed if: <ul style="list-style-type: none">✦ You are a first-time homebuyer (\$10,000 lifetime limit).✦ You are using the withdrawal to pay for certain higher educational expenses.✦ Certain conditions are met for unemployment or qualifying medical expenses.✦ The distribution was a result of disability or death.
Is there a penalty tax on insufficient withdrawals after age 70½?	Yes. The IRS imposes a 50% tax on amount that should have been withdrawn

A Roth IRA

No age limit; however, you must have a modified adjusted gross income (MAGI) below \$122,000 if single, or \$179,000 if married and filing jointly.

- ✦ Individual: \$5,000
- ✦ Married filing jointly: \$10,000 (up to \$5,000 each)

If you are 50 or older in the year of contribution, eligible IRA account holders can make an additional \$1,000 contribution.

Contributions are not tax deductible.

Opening an account and making contributions for a specific year must be made by the tax filing deadline for that year.

Yes, the IRS imposes a 6% penalty tax on excess contributions.

There is no mandatory age for taking distributions.

Qualified withdrawals of contributions are tax-free (see below).

- ✦ You have the ability to withdraw your principal and earnings completely tax-free if the IRA has been open for five or more years, and at least one of the following conditions are met:
 - ✦ You are a first-time homebuyer (\$10,000 lifetime limit).
 - ✦ You are disabled when you make the withdrawal.
 - ✦ Withdrawals are made by your beneficiary after you die.

Not applicable

Notes

Notes

For more information on which IRA may be most appropriate for you, or to discuss your retirement planning options, contact an LGFCU Financial Planner at 877.367.5428 or financialplanner@lgfcu.org.



To learn more details about any of our services, visit us at www.lgfcu.org, call the Contact Center at 888.732.8562 or visit any local branch.



/ To improve the lives of our members /



azaa



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