

Belco Connections

A publication for members of Belco Community Credit Union.

Winter 2018

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COMMUNITY CREDIT UNION
Because life is for living.

Member NCUA





Amey's

Unfortunately, plastic card fraud is a growing problem that has become a daily reality for consumers and financial institutions. The number of U.S. data breaches tracked through June 30, 2017 hit a half-year record high of 791, a 29% jump over 2016 figures during the same time period.¹

We have an in-house fraud and security team that is constantly working to alert members when fraud is detected.

In recent years, technology has advanced to include more sophisticated chip card technology. More advanced data analytics that alert card holders when irregular debit or credit activity is detected on an account is also readily available. As quickly as technology advances, fraud continues to increase. Criminals find the next best way to target cardholders and financial institutions, creating fraudulent cards, transactions, and skimming credit card data in new and changing ways.

Belco Community Credit Union works to secure data using the most robust and updated prevention methods available. We have an in-house fraud and security team that is constantly working to alert members when fraud is detected. We also work with VISA Falcon Fraud Prevention Service, which ensures Belco cardholder usage is monitored, and transactions that may be considered fraudulent are flagged to be verified with the cardholder as legitimate. This fraud detection system will continually monitor your card activity to help identify and prevent fraudulent transactions on your account. Subscribing to the SHERPA monitoring service is also available to Belco members for a nominal subscription rate. The SHERPA service provides tools and guidance to protect your personal information. More information on SHERPA is available on our website – www.belco.org.

Financial institutions like Belco are absorbing the brunt of the expense from this rising tide of fraud and data breaches like the occurrence at Equifax earlier this year. Reimbursement of direct cardholder losses, costs related to the time and resources spent on responding to breaches, and ongoing compliance-related expenses cost Belco thousands of dollars each year. Increased operating expenses reduce member value by driving up costs to do business.

Members can take steps to engage in prevention of plastic card on your account. Consider utilizing mobile notifications to alert you to abnormal account activity. You may also set up card controls to set limits on purchase activity. Be wary of using free public Wi-Fi for accessing financial sites or information related to online bank accounts. Be alert when paying at the pump for gas or using an ATM; skimming devices may be evident if you take few seconds to inspect the machine. Taking the time to review your statements and proactively protect your sensitive personal data is

("Amey's Corner" continued on page 8)

Member Bulletin Board

Holiday Closings:

Presidents' Day – Monday,
February 19, 2018

• **Scholarship applications are due March 1.** Belco is once again awarding five \$1,000 scholarships to individuals attending college or continuing their education. For an application, call 800-642-4482, or download one from our website at belco.org. Simply select 'Scholarship Program' from the Quick Links section at the bottom of the homepage.

• Belco employees again volunteered their time to take calls during the **WGAL-8 "Coats for Kids" Telethon** to benefit the



Salvation Army in December at the station in Lancaster. Belco also donated ten \$100 Visa gift cards as donation incentives.

• Remember to choose direct deposit for your **2017 tax refund**. To do so, you must indicate on the refund portion of the electronic return, or on the paper form 1040, your financial institution's routing transit number, your account number and the type of account – checking or savings. **Belco's routing number is 231380997.** Taxpayers again

have the option of having their refund directly deposited in up to three different financial accounts.

• Belco employees and members again donated hundreds of toys to the local Marine Corps Reserve **Toys for Tots** Program.



Belco also donated \$520 to Toys for Tots. Thanks to everyone who dropped off new, unwrapped toys for the needy children in our area.

• Belco employees celebrated International Credit Union Day and **raised more than \$2,400 for the Children's Miracle**



Network. Thanks to everyone who supported our employee bake sales on October 15! In addition, Belco donated 5 cents for each debit and credit card transaction that day.

BELCO IN THE COMMUNITY:

• **2018 Adams County Home Show – February 16 (4-8pm) and February 17 (10am-6pm)** at All Star Events Complex

("Member Bulletin Board" continued on page 9)

Avoid IRA Missteps

A lack of knowledge can lead to problems & disappointments for your heirs

A message from Belco Retirement & Investment Services

Be vigilant, and be knowledgeable. Do you want to hand your heirs big tax problems? Would you like to hand the IRS a sizable chunk of your wealth? Of course not. But if you misunderstand the rules when it comes to inherited IRAs, you just might. Here are some missteps that IRA owners and IRA heirs often make:

Thinking that a will or a trust can facilitate the transfer of IRA assets. IRAs don't pass to heirs through wills or trusts (a few rare exceptions aside). The beneficiary form takes precedence; this is the form the IRA owner filled out and signed when opening the account. Problems arise when:

- The IRA owner dies without designating a beneficiary
- The designated beneficiary has also passed away
- No one can find the beneficiary form (not even the IRA custodian, i.e., the financial institution that hosts the IRA)

In these circumstances, IRA heirs commonly end up playing by the IRA custodian's rules. The resulting beneficiary may be the IRA owner's estate, a very undesirable tax consequence. It might be a contingent beneficiary, perhaps a very undesirable emotional consequence. The lesson here is to keep the beneficiary form handy and to let your heirs know where it is.¹

Taking lump-sum distributions. Too often, non-spousal IRA heirs see the inherited assets as money to spend. They withdraw the entire IRA balance in one fell swoop. Bad idea, since all that money will be subject to federal income tax. Due to this move, they may lose a third of the IRA assets (or more).²

The alternatives? Non-spousal beneficiaries can open an inherited Roth or traditional IRA to house the inherited assets and simply take Required Minimum Distributions (RMDs) from that inherited IRA under the appropriate schedule. Yearly distributions from the inherited IRA must start by December 31 of the year after the year in which the original IRA owner died.

- *If a non-spouse individual is the beneficiary*, these distributions can be scheduled over the expected lifespan of the beneficiary as calculated through IRS tables. This way, invested IRA assets may keep compounding across many years with the added benefit of tax deferral.³
- *If an estate is the beneficiary*, things are different. If an estate inherits a traditional or Roth IRA, 100% of those assets must be distributed within five years. There is one exception: if an estate is the beneficiary of an inherited traditional IRA and the former owner was older than 70½ when he or she died, then the distribution rate is



based on the age of that IRA owner.³

You can also “disclaim” some or all of any inherited IRA assets, which could be a wise move for tax purposes if you don’t need the inherited funds.⁴

Not realizing your four options when you inherit your spouse’s IRA. If a spouse dies, the surviving spouse that inherits an IRA has some choices. He or she can

- Roll over the assets into a beneficiary IRA
- Convert the inherited IRA into your own IRA
- Take a lump sum distribution
- “Disclaim” up to 100% of the deceased spouse’s IRA assets

There are compelling reasons to go with the rollover. The widowed spouse can set up an RMD schedule based on his or her life expectancy. This second point is really important, because the rollover allows the surviving spouse to put off the RMDs that would otherwise soon need to happen. In fact, the surviving spouse can wait until the year in which the original IRA owner would have turned 70½ to start taking required withdrawals from the IRA.²

If you inherit a Roth IRA from your spouse, you may be able to roll the assets into a Roth IRA of your own or treat the Roth IRA you received from your spouse as your own if you are the sole beneficiary. This is worth noting, as Roth IRA owners will never have to make mandatory annual withdrawals from their IRAs.⁴

Incidentally, there is no such thing as an early withdrawal penalty from an inherited IRA. Inherited IRA withdrawals are never hit with the 10% early distribution penalty as the funds are categorized as death proceeds. To certify this, the IRA custodian or trustee needs to report these withdrawals as “death distributions” in Box 7 of Form 1099-R.⁵

If the spouse converts the IRA into his or her own IRA, the surviving spouse can name a beneficiary for the inherited assets, keep contributing to the IRA, and potentially avoid RMDs until he or she turns 70½.⁶

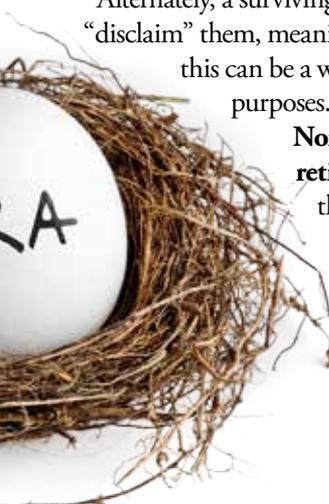
Alternately, a surviving spouse who doesn’t really need inherited IRA assets can “disclaim” them, meaning that they will go to a contingent beneficiary. Sometimes this can be a wise move for tax purposes.⁷

Non-spousal heirs fail to retitle an inherited IRA. If

this isn’t done in the year following the year in which the original IRA owner passed, then there can be no direct rollover of the inherited IRA assets and no “stretch” for those assets.^{2,8}

What happens if a non-spouse beneficiary just rolls the inherited IRA assets into an IRA they own, one that isn’t retitled? Then it is not a direct rollover. The IRS treats those

(“IRA Missteps” continued on page 9)



RETIREMENT & INVESTMENT SERVICES

UPMC Pinnacle

www.pinnaclehealth.org

Our Vision: To provide high-quality, patient-centered medical care when and where patients need it, through a **highly integrated network of physicians and facilities**. This model results in lower readmissions, better outcomes, increased access, and added convenience for people in our community.

Who We Are: UPMC Pinnacle is a **nationally recognized leader** in providing high-quality, patient-centered healthcare services in central Pennsylvania and surrounding rural communities. Its more than 2,900 physicians allied health professionals and approximately 11,000 employees serve a 10-county area at outpatient facilities and eight acute care hospitals with 1,360 licensed beds: UPMC Carlisle, UPMC Community Osteopathic, UPMC Hanover, UPMC Harrisburg, UPMC Lancaster, UPMC Lititz, UPMC Memorial, and UPMC West Shore. The not-for-profit system anticipates caring for more than 1.2 million area residents in FY 2018.

Our History: The Harrisburg Hospital was **officially founded in 1873**, and throughout the decades, expanded its reach to include the Polyclinic Hospital, Osteopathic Hospital (now UPMC Community Osteopathic), and Seidle Memorial Hospital to better serve residents on the East and West Shores. In 2017, we purchased four local hospitals through the Tennessee-based Community Health System acquisition, affiliated with Hanover Hospital, and joined the University of Pittsburgh Medical Center system to become UPMC Pinnacle.

Since the very beginning, our commitment to excellence has never wavered. With national and regional recognitions for high-quality care including volumes, UPMC Pinnacle aims to make the system a great place for employees to work, physicians to practice medicine, and patients to receive care that includes access to the latest technology and leading clinical trials.

Our Partner: UPMC Pinnacle has been a **Valued Business Partner of Belco since 1994**. Belco has an on-site branch at UPMC Pinnacle's Brady Hall building, as well as several ATMs at other UPMC Pinnacle campuses. Additionally, Belco

attends new employee orientations at all campuses, participates with employee appreciation events and nurses expos, hosts financial education seminars, supports the hospital auxiliary, and provides first baby of the year baskets, among other activities.



Please join us for a
Kentucky Derby Party
The Run for the Roses

Belco's 2018 Annual Meeting & Membership Gala
Saturday, April 21, 2018

Radisson Penn Harris, Camp Hill • 4:00 to 11:00 P.M.

The event is **open to all members of Belco** (and their guests), in appreciation for your continued support of our credit union. We encourage you to join us this year; you can bet on a great evening of dinner and dancing. Derby attire encouraged.

Tickets are \$25 (or \$10 for a child's meal), and include cocktail hour, dinner, official meeting, entertainment by The Luv Gods, dancing, over 80 door prizes, and complimentary gift. **Free photo booth souvenir photos** will also be available throughout the night.

4:00 p.m. – Cocktail Reception

5:15 p.m. – Dinner

Dinner Choices: Beef Short Ribs, Chicken Marsala, Crab-Stuffed Tilapia, Zucchini Pappardelle Primavera

7:00 p.m. – Business Meeting

7:30 p.m. – Door Prizes

8:00 p.m. – Entertainment by "The Luv Gods"

9:30 p.m. – Door Prizes

Tickets go on sale on **Monday, February 12, 2018** at all Belco branches or by phone at **800-642-4482**.



Derby Attire Encouraged



The Luv Gods

Mark your calendars now. We hope to see you there!



Belco Employees Honored with Awards

Harrisburg Regional Chamber & CREDC named Belco employee **Devon DiBiase** as one of its 2017 Catalyst Award winners. Devon was recognized as **Volunteer of the Year** for her outstanding contributions to the Harrisburg Regional Chamber & CREDC and the community. Devon is Belco's Allentown Boulevard Branch Manager, and has been an employee since 2016.



Craig Connelly, our Lebanon Branch Manager, received the Lebanon Valley Chamber of Commerce's **Ambassador of the Year** award for his community involvement. Craig has been with Belco since 2011.



Tom Kissinger, Senior Accounting Specialist, was selected to receive the **2018 Paul Kanjorski Scholarship Award** from the Pennsylvania Credit Union Association. The award is given each year to a politically active young professional in the credit union movement, and will send Tom to the

CUNA Governmental Affairs Conference in Washington D.C. later this year. Tom has been a Belco employee since 2011.



Congratulations to all on your well-deserved recognition!

Did You Know...

U.S. citizens first began paying taxes at the end of the 18th century, but only on land and property. It wasn't until the government needed to raise money during the Civil War that personal incomes began to be taxed. Remember, Tax Day is April 17th!

Source: <http://blog.shoeboxed.com/10-fun-facts-about-taxes/>

In Their Own Words...

Belco members are speaking out! We love to hear about our members' positive experiences and outstanding service provided by Belco employees. If you have a **story you would like to share with us**, please email us at marketing@belco.org.



"Kaitlyn and manager Andrea of the Big Spring Branch embody the true professionalism and courtesy that the public truly appreciates! When I had problems with the online banking change over, Kaitlyn stepped in to help with my computer skills, or LACK OF! I know she said that's part of my job, but the kind and friendly manner in which she handled the job and me was very refreshing. You don't see that in every institution today!"

- Sam R., who also sent these beautiful flowers to the staff to show his appreciation

"We just wanted to thank Belco for the amazing way you have encouraged our kids to be good savers with your Safari Club. Anytime they get money, they say, "we need to go to Belco to deposit our money." Thanks, we appreciate all the ways you bless them with birthday money and prizes for saving money. We just went to the skating party on Saturday with Belco and were talking with Lisa and had a blast there... you guys are so good to our kids... we really love BELCO!!!"

- Jeremy & Liz T.



("Amey's Corner" continued from page 1)

key in preventing fraudulent account activity.

Belco is working diligently to protect sensitive member data and to help you prevent account fraud when you are faced with an unfortunate breach of your personal information. As always, we thank you for being a member. Your continued use of credit union products and services is part of what contributes

to the success of Belco, a financial cooperative committed to the financial success of our members.

Sincerely,



Amey R. Sgrignoli
President/CEO

¹<https://www.idtheftcenter.org/Data-Breaches/itrc-and-the-2017-mid-year-data-breach-report>

("IRA Missteps" continued from page 4)

inherited IRA assets like a fully taxable cash distribution – 100% of it is subject to income tax.⁸

Ask for help, and don't be afraid to ask questions. Many families and couples have only a hazy understanding of the rules governing IRAs, and few really know all the options. Make sure your IRA beneficiary form is up to date, and speak with the financial professional you know and trust about how to handle the transfer of IRA assets when the time comes.

Eric Pasquini & Jessica Aquiler @ Belco Retirement & Investment Services may be reached at 717-720-6220.

<https://www.cbsinvestorconnection.com/Advisors?cuid=03701254>

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Citations.

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in Gettysburg. Stop by our table and enter to win a \$25 Walmart gift card and a Belco gift bag.

- **Belco 79th Anniversary Celebration – Wednesday, March 7 at all branches.** Stop by for free cake and enter to win a \$79 Sheetz gift card. Also, receive a free Belco backpack cooler when you open a new Belco Visa from March 5-10. *All loans subject to credit approval.*
- **Dauphin County Women's Expo – Saturday, March 10** from 9am-2pm at the Hershey Lodge. Stop by our table and enter to win a \$20 Target gift card and a Belco gift bag. Register for this FREE event at www.agreatwaytospendmyday.com/register (or \$5 admission at the door).

Belco Offers Free Tax Preparation

Belco Community Credit Union will again provide **free tax preparation services**. If you make less than \$54,000 and meet other basic requirements, you could qualify to have certified volunteers prepare your federal and state income taxes for free.

Belco is assisting the United Way of the Capital Region with their ***Money in Your Pocket*** campaign, a partnership of organizations committed to the economic stability of local families. Nationally, the effort is known as the Volunteer Income Tax Assistance program (VITA).



Locations and Times:

- **Belco Operations Center**, 449 Eisenhower Blvd., Harrisburg, PA 17111
January 31 – April 11, 2018, Wednesdays, 5:30–8:00 p.m. By appointment only.
- **Belco Eastgate Branch**, 5 Eastgate Dr., Carlisle, PA 17013
January 30 – April 10, 2018, Tuesdays, 5:15–8:00 p.m. By appointment only.

You MUST bring the following documents to have your taxes prepared:

- ✓ Valid photo ID (driver's license, military ID, etc.) for taxpayer and spouse.
- ✓ Original Social Security card or Individual Taxpayer Identification Number (ITIN) for you, your spouse, your children and other dependents included in your tax return.
- ✓ Your current Identity Protection PIN number issued by the IRS (if you have one).
- ✓ Copies of all year-end tax forms you have received in the mail.
- ✓ If you received healthcare from the marketplace, bring your form 1095-A. (We cannot prepare your return without it.)

Also bring the following information if it is available:

- ✓ Previous year's federal and state tax returns. (We can only access prior year returns for clients who used MIYP last year.)
- ✓ If you wish to have your refund deposited directly into your checking or savings account, bring a blank check or other documentation from your bank/credit union that shows your account number and the routing transit number.
- ✓ If you expect to claim a credit for child or dependent care, bring the child care provider's address and Employer Identification Number (EIN) or their Social Security number.

To schedule an appointment or to inquire about the program, please call 717-232-3526 or 800-642-4482.

Prefer to prepare your own taxes? Go to **MyFreeTaxes.com** and you can do your own federal and state taxes, as long as your annual income is less than \$66,000. This service is made possible through the United Way of the Capital Region's ***Money in Your Pocket*** campaign. For **questions about MyFreeTaxes.com**, call **1-855-698-9435**.



Safari Club & XTS News



Spring is a flurry of activity for our young members. We again have several fun events planned that our Savings Safari and XTS members enjoy every year.

Safari Club Egg Hunts

Our annual egg hunts will take place the last two weekends in March at four different locations:

- **Lancaster** (Long's Park) – **Saturday, March 24 @ 10am**
- **Gettysburg** (Rec. Park) – **Saturday, March 24 @ 2:30pm**
- **Harrisburg** (Fort Hunter) – **Saturday, March 31 @ 10am**
- **Carlisle** (Eastgate branch) – **Saturday, March 31 @ 10am**



We will once again have plenty of candy-filled eggs, plus special prize eggs for a chance to win gift cards, etc. Youth members, **check your mailbox soon for all the details** and registration information.

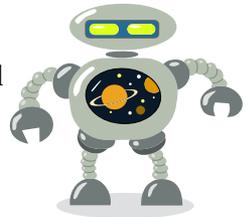
Youth Month

In April, we celebrate our youth and teen members all month long. This year's theme is "The Science of Saving," showcasing fun, sci-fi-inspired characters. Science has proven that if you start with small goals, saving your money can become a regular habit.

During Youth Month, **every deposit of \$10 or more** into your Savings Safari or XTS account equals one entry into a random drawing for the grand prize – an **Apple iPad!** Plus, all branches will have special activities, contests and giveaways going on throughout the month of April.

When you make a deposit into your savings account or open a new account during Youth Month, you will be helping us meet our goals in the National Youth Saving Challenge:

- ✓ 300 NEW Youth Club Accounts
- ✓ 13,000 Deposits into Youth Accounts
- ✓ \$500,000 Total Deposits into Youth Accounts



The Science of Saving

If we meet these goals, **Belco will donate \$1,000 to Children's Miracle Network.**

Visit our website – www.belco.org – for all the details on Youth Month beginning April 1!

