

CreditCheck

NEWSLETTER FROM THE CHURCH OF THE BRETHREN CREDIT UNION

FIRST QUARTER 2007

Custom-fit savings options offer higher interest rates

Whether planning for a long-deserved vacation, preparing a retirement cushion, or wanting a college fund that keeps pace with a growing loved one, the Credit Union's new account options can meet your specific saving needs. The Credit Union now offers a broad range of accounts so members can receive a competitive market return and take advantage of tax-reducing incentives,



Sarah Kovacs for the General Board

The Brethren Youth Mission Club is for youth planning to attend a Brethren service or educational opportunity.

whatever their situation. Each account has its own unique advantages and stipulations; we can help you sort through the choices to develop a saving strategy that is right for you.

For retirement. The Credit Union now offers both a Traditional IRA money market account, which is tax deductible, and a Roth IRA money market account, which provides tax-free earnings.

For education. Coverdell Education savings accounts (ESAs) are available, which feature tax-free earnings for educational expenses. IRAs and ESAs have no minimum balance requirements so members can start small and start early.

For rainy days. The Credit Union has regular money market accounts that earn higher dividend rates than regular savings accounts but require a minimum balance of \$2,500. All the Credit Union's money market accounts offer tiered dividend rates, so as balances reach new levels, they receive higher dividend rates. Members

can also transfer funds into Certificates of Deposits to lock in even higher yields.

Just for kids. The Credit Union has also established two club accounts to help children learn sound financial practices by getting first-hand experience at managing their own accounts. The Kids Club is offered for ages 12 and below, and the Youth Club,

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IRA deadlines for 2006



If you have a traditional individual retirement account (IRA), or if you are going to set one up, you have until tax day to make contributions that can be deducted on your

2006 income tax return. Current tax laws allow for deductible contributions to be made anytime during the calendar year and up until your tax-filing date, which will be April 16 this year for most individuals.

If you contribute to an IRA between Jan. 1 and April 16, 2007, you have the choice of deducting the amount

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Saving, a New Year's resolution

New Year's resolutions address regrets from the past year — like maxed-out credit cards. Resolve to do things differently in 2007 by being prepared for those two budget-busters —

Vacation and Christmas.

Starting early and saving regularly in our Vacation Club and Christmas Club savings accounts can keep you from the pitfalls of credit card debt. These club accounts earn a higher dividend than regular savings accounts but require a monthly deposit and limit withdrawals to four per year. Directly transferring a budgeted sum into these club accounts each month will leave you with no regrets, and no debt, at the end of the year.



“new savings options...” Continued from front...

13 to 18. The Credit Union feels so strongly about the importance of these accounts that they yield a higher rate of interest.

Budget-busters. The new Christmas Club and Vacation Club savings accounts are designed to encourage members to plan ahead and save toward specific goals, and, thereby, avoid putting these two large expenses on their credit cards.

For mission. The Brethren Youth Mission Club is truly unique to the Church of the Brethren. This account is offered to promote participation in Brethren service and educational opportunities such as National Youth Conference, Christian Citizenship Seminar, workcamps, or local projects. The Brethren Youth Mission Club is available to any individual, Sunday school class, or youth group of a congregation or district.

Taking the time to set up an account and having funds directly transferred into it on a regular basis, even if the amount is small, is an excellent practice of stewardship that will make a significant difference in preparing for the future.

To open an account, contact the Credit Union at 888-832-1383 or at dkingery_bbt@brethren.org. — Dennis Kingery

“IRA deadline” Continued from front...

on your 2006 or 2007 tax form. This allows you to select the year in which your tax benefit will be greatest. Of course, it is also possible to make a contribution before April 16, count it for 2006, and make another contribution later in the year as your 2007 investment. The key is to use the flexibility in the law to your best advantage. Your tax adviser can help with this decision.

Contributions to traditional IRAs can be deducted from taxable income, but those to Roth IRAs cannot be. There are set limits on the amount that can be contributed.

Deductibility of contributions to traditional IRAs is based on a worksheet that is included with the instructions for IRS Form 1040. In general, contributions are deductible for taxpayers with modified adjusted gross income under specified limits. For more information on deductibility, visit the CoBCU website at www.cobcu.org and click on “IRAs and ESAs.”

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