

# Member Insights



MERCK EMPLOYEES  
FEDERAL CREDIT UNION

*From the desk of the President/CEO:*  
**Year-End is a Good Time to Go  
Over Your Financial Checklist**

As 2020 winds down and 2021 is on the horizon we all hope for a more peaceful and harmonious year. In our financial lives there are a few important things everyone can do this time of year to make the upcoming financial year smoother:

- **Update Beneficiary Information.** It's very important to have the correct beneficiary information on your credit union accounts and all your financial accounts. We urge all members to please send us any updated beneficiary information so we can update your account with the most current information.

- **Plan for your Required Minimum Distributions.** Due to the pandemic, our IRA accountholders were not required to take Required Minimum Distributions (RMDs) in 2020 but RMDs will begin again in 2021. Now is a good time to plan for your RMDs and ensure you are taking the minimum amount required and any additional funds required for your needs. Unfortunately, the IRS has substantial penalties for missing your RMD, so please plan for your RMD.

- **Tax-Advantaged Savings.** For those still actively saving for retirement, this is a good time to plan out your contributions to your tax advantaged accounts like 401ks and IRAs. These accounts have built in tax advantaged features that all eligible savers should try to take full advantage of. In 2021 the maximum 401k contribution is \$19,000, with an additional \$6,500 if you are 50 or older. For IRAs, the limit is \$6,500, with an additional \$1,000 if you are 50 or older.

- **Put your savings on autopilot.** For any saving you are doing, if you can put it on autopilot and have your savings done automatically, it's a great way to pay yourself first and invest in your future savings.

As the credit union winds down 2020,

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## Beginner's Guide to Saving for Retirement

Many young people would like to begin investing and saving for retirement but aren't sure where to start. Whether you've just received your diploma, started your career or you're ready to invest in a retirement account, we've created a guide to help you invest your money.

### The Importance of Investing Early

Most financial experts will tell you that one of the most important steps you can take is to begin investing and saving money early. What are the benefits of getting started early?

### Your Expenses are Low

When you're young, life is inexpensive. As you get older, it's only natural that your living expenses will go up. Investing any extra funds you have available while your expenses are low is a simple way to increase your long-term wealth.

### Compounding Interest

Compounding interest is a fancy way to say "interest earned on the interest that you've previously accrued" and it's a powerful force when it comes to building wealth.

### Higher Risk Tolerance

The more time you have, the more financial risk you can take. You'll have time to ride out any financial storms and recessions. Someone with 40 years left until retirements will have a better chance of making money on high risk investments than someone investing for only 5 years.

With uncertainty on the horizon, it is more important than ever for you as an investor to be prepared for more dips in stock prices. Here are some tips:

1. If your employer offers a match, make sure you contribute enough to get the maximum match available. The average match is up to half of 6% of your pre-tax in-

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## Member Q&A

### Question:

What are the locations of your shared branches?

### Answer:

To locate the nearest Shared Branch facility near you, visit [co-opcreditunions.org/locator](https://www.merckcu.com/co-opcreditunions.org/locator). By visiting a Shared Branch facility, you can perform almost all of your business just as you would in one of our branches.

## Featured Loan & Deposit Rates

**Auto Loans**  
as low as  
2.75% APR\*

**E-Checking**  
as high as  
0.376% APR\*

**Credit Cards**  
as low as  
8.28% APR\*

**Savings**  
as high as  
1.125% APR\*

**IRAs**  
as high as  
1.875% APR\*

**Home Equity**  
as low as  
3.25% APR\*

\*Annual percentage rate. Visit [www.merckcu.com](https://www.merckcu.com) or visit a branch for more information.



## Visiting a Branch is So Last Year

In today's current environment, trips to the branch can be near impossible. That's why Merck Employees FCU has made it easier for you to take care of your banking needs. Most of your typical banking transactions can be done from the comfort of your own home.

Visit our Online Account Services [www.merckcu.com/resources/online-account-services/](http://www.merckcu.com/resources/online-account-services/) to access some of the available online transactions.

Our new Retirement Central [www2.iraservicecenter.com/rc/?OrgNbr=67191](http://www2.iraservicecenter.com/rc/?OrgNbr=67191) has also been updated to allow you the ability to complete a variety of IRA related transactions online as well.

Our Chat feature is available for answers to your questions and if you can't get the answer you need, try "Chatting" with a Live Agent.

Most of our ATMs now take both check and cash deposits 24 hours a day 7 days a week and our mobile banking deposit feature allows you to deposit checks from wherever you are by taking photos of your check. Using mobile deposit is the easiest and safest form of deposit in today's world.

As always, you can reach us by phone at 732-594-3317 or by visiting a branch, but most transactions can now be completed online.

Don't see what you are looking to do? Reach out to us. We may have a way we can get it done or have a work around for you.

## Have a question? We have an answer!

Simply visit our website, [www.merckcu.com](http://www.merckcu.com), and look for the search box at the top right. Type in your question and click, "ASK".

Comprehensive answers to our most frequently asked questions are available.

Can't find what you are looking for? Reach out to us!



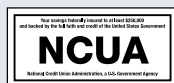
Member Services: 732-594-3317

Loan Department: 732-594-3018

Debit Card Lost/Stolen: 800-554-8969

Credit Card Lost/Stolen: 800-237-6211

Established in 1936, Merck EFCU is federally-chartered and federally insured by the National Credit Union Administration.



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we recognize that it was truly a unique year for the credit union and our members. The credit union saw member shares increase by more than \$200 million in 2020, an historic year by any measure. Much of this growth was driven by the pandemic and members saving more and spending less. We value our members' trust in the credit union in 2020 as we all adopted to a new economic environment.

The credit union will end 2020 in a very solid financial position with strong capital, earnings, and savings and lending growth. Members should know that at any time you can view our latest Statement of Financial Condition under the About MEFCU tab on our web site at [www.merckcu.com](http://www.merckcu.com). It is also displayed in all of our branches. I have had many conversations with interested members about the state of the credit union and I am proud to say that we are delivering member value in many ways. From low loan rates and fees to some of the most competitive deposit rates in the industry, we are continuing our mission of returning value to our member owners. On behalf of the entire operating team and Board of Directors at Merck Employees Federal Credit Union, I wish you a great holiday season and a peaceful 2021.



Paul Gentile  
President/CEO

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come, but check with your company's HR department to find out your company's policy.

2. Staying diversified is critical for building a portfolio that is resilient to market shocks. By adding multiple unrelated asset classes to your portfolio, you reduce losses in the event of a downturn in the stock market.

3. With the stock market as heated and volatile as it is currently, it can be tempting for investors to try and wait for the "right" moment to invest. This is often a mistake. It is impossible to consistently time the right time to buy or sell. While it's now clear that March 2020 was an excellent time to invest, hindsight is always 20/20.

4. The further you can stretch your investment goals, the easier it is to look past short-term volatility. Many investors get nervous and sell when the market takes a downturn. This is a sure-fire way of losing money in the long run. Instead, the best approach is to understand your risk tolerance, allocate your portfolio in a risk-appropriate manner, and ride out the dips in the market.

When you choose to invest at a young age, it could be one of the wisest decisions of your life. You will be providing yourself with the means to retire, but also creating a life of security and freedom.

If you would like to discuss your retirement savings needs with one of our financial advisors please contact Linda Phillips at 732-594-7705.