

Member Insights



**MERCK EMPLOYEES
FEDERAL CREDIT UNION**

From the desk of the President/CEO:

A Devastating Multi-Billion Dollar Problem We Must Solve



Some estimates put the cost at \$3 billion annually, while others have it as high as \$30 billion. Whatever the true number is, any money lost by elders to scammers is too much. Elder financial abuse is one

of the most devastating financial issues plaguing our country and getting ahead of this problem will take a concerted effort around awareness and education.

So just what is Elder Financial Abuse? It is many things and the problem is it comes in so many varieties. Whether it's a phone scam, online scam, or in-person scam, the result is the same – elders are preyed upon by scammers who are using sophisticated strategies that often prey on loneliness or confusion. According to the Federal Trade Commission, the most common elder financial abuse revolves around romance scams. Often it is focused on scammers feigning romantic interest asking for money to travel to the victim, or to solve some sort of emergency.

There are also sophisticated gift card scams, where elders purchase gift cards and provide the numbers to the scammers remotely where they quickly go online and exhaust the cards. In a recent case, an elder couple, members of the credit union, fell victim to a tech support scam, which is very common. They were told their computer had a virus and asked to allow the scammers to remote in where they can render the computer useless and hold the victim's computer hostage until paid. In a less sinister approach, but also costly, elders are sold expensive software security programs that don't actually benefit the elder at all.

Sadly, another area of abuse comes with family members who may be going

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Merck Employees FCU Named in the Top 200 Healthiest Credit Unions



DepositAccounts.com, an independent and unbiased bank comparison site, recently named Merck Employees FCU in the top 200 healthiest credit unions giving it an A+ in overall financial institution health.

The article notes the credit union's simple product line-up, low fees and minimums and overall great rates which surpass 94% of all deposit accounts. Both the savings account and IRA offer the top rates of all institutions reviewed by DepositAccounts.com.

"Merck Employees Federal Credit Union has an overall health grade of 'A+' at DepositAccounts.com, with a Texas Ratio of 0.35% (excellent) based on March 31, 2021 data. In the past year, MEFCU has increased its total non-brokered deposits by \$316.72 million, an excellent annual growth rate of 18.32%," said the article.

"We are pleased to be recognized for our strong financial health," said MEFCU President Paul Gentile. "The board and credit union staff work diligently to ensure members' funds are protected and our rates and fees are designed around the credit union philosophy of returning value back to the membership."

Both the [MEFCU financial overview](#) and the [article](#) can be found by clicking the links.



A Charitable IRA Donation Can Be a Powerful Tool for Tax Planning and Doing Good

Tax time is right around the corner and the Fall is a perfect time to begin strategizing on how to ensure there are no surprises come April. One often overlooked tax planning tool for IRAs is the Qualified Charitable Contribution (QCD).

Traditional IRA holders are required to take a Required Minimum Distribution at age 72 or older. Often, IRA holders neglect to consider RMDs when tax planning. IRA holders should be aware that RMDs are taxable income and will be treated as such on your tax return.

A QCD allows an IRA holder to make their RMD payable to a qualified charity, thus

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Featured Loan & Deposit Rates

Auto Loans
as low as
2.75% APR*

E-Checking
as high as
0.25% APR*

Credit Cards
as low as
8.28% APR*

Savings
as high as
1.00% APR*

IRAs
as high as
1.75% APR*

Home Equity
as low as
3.25% APR*

*Annual percentage rate. Visit www.merckcu.com or visit a branch for more information.



Elder Financial Abuse Webinar October 18, 2021 at 10:00 am

Understand the scams that are currently impacting seniors and the signs to look for.

(Continued from A Devastating Multi-Billion)

through financial difficulty or looking to enrich themselves. This makes the job of an elder selecting a Financial Caregiver so vital to ensure a bad actor is not in play with their financial future.

From experience here at the credit union one thing we have learned is a simple phone call can be a dangerous prospect to elders. Often the scam starts on the phone. Anyone calling asking to wire money or request gift card purchases is clearly a scam. Some scammers are able to manipulate the caller ID system so their number comes across the caller ID as a government number, whether it be the IRS or Social Security. These agencies would never ask for money to be wired or via gift cards. Medicare scams are also popular where they claim they need your Medicare number to issue a new card. Some of our older members are doing more to protect themselves. We called one older couple back on a question they had about their credit union account and their voicemail said, "We do not pick up our phone. Please leave your name and number and if we know who you are, we will call you back!" That might sound harsh, but it was effective!

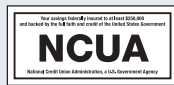
Here at the credit union we are committed to assisting our older members. We feature an elder financial abuse training session on our Financial Wellness Center on our web site, and recently launched a special education page on Elder Financial Abuse on our site that can be found here: www.merckcu.com/resources/elder-financial-abuse-resources. I am excited to announce that on October 18th we will be hosting a special webinar with an elder affair specialist from the Consumer Financial Protection Bureau, a federal government agency focused on, among other things, helping reduce financial fraud. I urge anyone interested in this topic to join us on October 18th at 10:00 am. We will be sending out more details as we get closer to the date. The webinar will be available at the following link: www.merckcu.com/live-webinars and members will be able to send in questions right on the page during the event.

Paul Gentile
President/CEO



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.



(Continued from A Charitable IRA Donation)

eliminating that RMD as taxable income. The QCD can be made for the entire RMD amount or less; it is up to the account holder. Using a basic example, if your required RMD for a given year was \$5,000 and you made a \$5,000 QCD your RMD taxable income for that year is \$0. In the same scenario, if you made a \$2,500 QCD you would need to take the remaining \$2,500 RMD, which would be taxable. (Do note the OCD is not impacted whether you itemize or take the standard deduction.)

It's very important to note that in order for the OCD to count towards your current year's RMD it must be made by the end of the RMD deadline, which is typically Dec. 31. It is also important to note that you must request that your IRA custodian issue the check from your IRA payable to the charity. For example, if you have an IRA at Merck Employees Federal Credit Union, you would request the OCD from us and we would issue the check payable to the charity on your behalf.

Also note that the charity must be a qualified 501(c)3 organization. As always, it's important to consult a tax advisor to address your specific circumstances.

Save the Date: Elder Financial Abuse Webinar



Elder Financial Abuse affects one in 10 Americans and costs over \$36.5 billion annually. It is incredibly important for older persons and their caregivers to understand the signs to look for and also the scams that are currently impacting seniors. The credit union understands how deeply important it is as your financial partner to help educate members and their families about this topic.

On October 18 at 10 AM, the credit union will be hosting a webinar with the Consumer Financial Protection Bureau to discuss this important topic. Save the date and stay tuned for more information on how to view the event.

While you wait, please visit our dedicated Elder Financial Abuse Resources page on our website to access information and education on this important topic. Our Financial Wellness Center also has elder financial and caregiver on-demand training sessions available.

Review the resources and be sure to save the date for October 18 at 10 AM. More information on the webinar coming soon.

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