

Financial Issues

SPRING 2017

CEFCU® Investment Services and Wealth Management

Investment Services • Retirement Planning • Trust and Investment Management

Revocable Living Trusts — Financial Protection for You

Your ongoing money management responsibilities probably involve making investment decisions; paying bills, insurance premiums, property taxes, and other expenses; filing tax returns; and handling many other obligations.

As long as you want and are able to take care of *all* these responsibilities yourself, there's no problem. But what will happen if you become seriously ill or too busy to devote the time and effort necessary for managing your finances? Issues could develop if you rely on an inexperienced spouse or family member to fill in for you — and those issues may not become apparent until it is too late.

Taking prudent steps *now* to protect your finances from possible future problems is a much better solution. You could make separate arrangements for an investment manager, accountant, property manager, etc., to stand in

for you should the need arise. However, you might be best protected if you ensure unbiased professional management for all of your financial affairs by setting up a Revocable Living Trust.

A Custom Arrangement

Once you legally establish a Revocable Living Trust, the responsibilities you give the trustee are very flexible. The trustee can help as needed during your lifetime, or can immediately take over as much of the responsibility for your finances as you desire, including:

- Making investment decisions
- Collecting trust income
- Distributing or reinvesting income as directed
- Paying bills and other financial obligations as necessary
- Maintaining complete records
- Preparing trust tax returns
- Or holding trust assets in custody.

Beyond protection during your lifetime, a Revocable Living Trust is also a very advantageous strategy for transferring assets after your death.

Assured Asset Management

A Revocable Living Trust can reliably provide management of your investment assets *regardless of your physical or mental health*. If you select a professional trustee with experience and skills in managing investments, you can be assured the trustee will be there for you — continuously or whenever you may need help in the future. Also, the trustee's involvement may make a cumbersome court-supervised guardianship unnecessary — under any health circumstances.



Kevin Barbier

Trust & Investment Management Officer

CFP® Professional

CEFCU® Wealth Management

Continued on page 2

Stay in Overall Control

A Revocable Living Trust also lets you keep your options open. You are completely free at any time, for any reason, to revoke the trust, add or withdraw assets, change the trustee's responsibilities, or change beneficiaries. (Of course, this wouldn't be allowed if you were to become mentally incapacitated.)

Estate Benefits

A Revocable Living Trust can make asset transfers after your death easier and faster. You can arrange for your trustee to distribute the trust assets *privately and without delay* to your family or other beneficiaries *exactly* as you have specified. Alternatively, the trust can be designed to continue so that the trustee will manage the trust assets for the benefit of your surviving spouse, children, or other heirs.

A Revocable Living Trust can serve as an effective substitute for a Will if you use it to distribute assets to your survivors, or if you continue the trust irrevocably for your family. Assets held in a Revocable Living Trust pass outside of your Will, avoiding the expense and possible delays of probate court proceedings. Also, the trust may reduce the possibility of a successful challenge to your Will.

However, a Revocable Living Trust is *not* a complete substitute for a Will. Putting all your property in a trust is difficult. You still need a Will to transfer your personal possessions and any other non-trust assets, as well as to put into effect a number of tax-saving strategies.

We Can Help

If you want to find out more about the financial protection a Revocable Living Trust can provide for you and your family, contact Kevin Barbier, Trust and Investment Management Officer and CERTIFIED FINANCIAL PLANNER™ professional.

Kevin is part of the CEFCU Wealth Management team and can provide sound, unbiased investment planning and management that follows the same standards that guide your Credit Union — looking out for *your* best interests. To schedule an appointment, please call 309.633.3836 or 1.800.633.7077, ext. 33836.

Work With Someone You Trust



Kristyl Johnson, Financial Advisor

As a CEFCU Investment Services Representative, my primary objective has been, and will always be, to provide clients with the right programs, most current information, and best service possible. I can help clients make sound financial decisions consistent with their comfort level, investment timeline, and goals.

Whether your goal is saving for retirement, creating retirement income, saving for education, or building tax deferred assets*, I can provide investment planning and financial products and services that are focused on looking out for you and your interests. Specifically, I can provide you with:

- Comprehensive Financial Guidance
- Insurance Planning
- Retirement Planning
- Education Funding
- And more.

As a trusted partner of CEFCU, I have 14 years of experience working with Credit Union members, their families, and their friends, which includes 7 years of experience in the Securities Industry. I am FINRA registered to sell Securities, hold State of Illinois Life and Health Insurance licenses, and I am a Registered Representative of CUNA Brokerage Services, Inc., member FINRA/SIPC.

To schedule a no-cost, no-obligation appointment with me or another CEFCU Investment Services Representative, call 1.800.356.7865, ext. 32571 today.

CEFCU[®]
Investment Services

*Representatives are not tax advisors. For information regarding your specific tax situation, please consult a tax professional.

Could You Improve Your Personal Finances, Today?

Simple decisions & new habits might lead you toward a better financial future.

In life, there are times when simple decisions can have a profound impact. The same holds true when it comes to personal finance. Here are some simple choices you could make today that may leave you better off financially — in the near term, the long term, or both.

Use less credit. Every time you pay with cash instead of credit, you are saving dimes on the dollar. At the start of December 2016, the average “low interest” credit card in America charged users 12.45%, and the average cash back card charged 17.15%. Pay in cash if you want to see your bank balance grow.¹

Set up automated contributions to retirement plans & investment accounts. By automating your per-paycheck salary deferrals to your workplace retirement plan or your IRA, you remove the chore (and the psychological hurdle) of making lump-sum contributions. You can bolster invested assets with regular inflows of new money, without even thinking about it. Often, arranging these recurring account contributions takes 20 minutes or less of your time.²

Bundle your insurance. Many insurers will give you a discount if you get multiple policies (home and auto, possibly other combinations) from them. This may help you reduce your overall insurance costs.

Live somewhere less expensive. The one-time cost of moving might be worth absorbing, especially if you can perform your job anywhere. According to the December United States Rent Report on ApartmentList.com, the median rent for a 1-bedroom apartment in Los Angeles, CA is \$1,900 while the median rent for a 1-bedroom apartment in Spokane, WA is \$630.³

Look into refinancing your largest debts. Perhaps your student loans could be consolidated, or you could refinance your mortgage (while rates are still low). Both of these moves could free up money and leave you with more financial “breathing room” each month.



Spend less money on “stuff” and more money on yourself. A recent SunTrust bank survey found that roughly a third of U.S. households earning \$75,000 or

more live paycheck to paycheck. Earlier this year, Money noted that the average household credit card balance was nearly \$16,000. In short, people are spending too much.⁴ Many people associate possessions with well-being — the more “toys” you have, the richer your life becomes.

That kind of thinking, however, can quickly put you in debt. Instead, pay yourself first and direct more of your income into retirement or savings accounts. Or, use some money you would normally spend on “toys” to pay down your debt. Separate your needs from your

wants and say no to several of them, you may find yourself living a simpler life with less

debt and more cash.

“
...bolster invested
assets with regular
inflows on new
money, without even
thinking about it.”



Investment Services & Wealth Management

7900 N. University Street
Peoria, IL 61615

PRESORTED
STANDARD
US POSTAGE PAID
PEORIA IL
PERMIT NO 512

Could You Improve Your Personal Finances, Today?, continued

Talk with a professional. To review your financial goals and plans, consider talking with a Representative from CEFCU Investment Services. Representatives can meet with you at most CEFCU Member Centers, or you can schedule a phone appointment.

To schedule a no-cost, no-obligation consultation with a CEFCU Investment Services Representative, call 1.800.356.7865, ext. 32571 today.

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor its affiliates. This information has been derived from sources believed to be accurate. Please note — investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied upon for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Citations.

- 1 — bankrate.com/finance/credit-cards/current-interest-rates.aspx [12/1/16]
- 2 — forbes.com/sites/robertberger/2016/05/14/20-ways-to-improve-your-finances-in-under-20-minutes/ [5/14/16]
- 3 — apartmentlist.com/rentonomics/national-rent-data/ [12/1/16]
- 4 — time.com/money/4320973/why-you-are-poor/ [6/6/16]

FR-1690775.1-0117-0219

CEFCU Investment Services & Wealth Management is a marketing name used by CEFCU. Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. CBSI is under contract with the financial institution to make securities available to members. Trust services available through MEMBERS[®] Trust Company, a federal thrift regulated by the Office of the Comptroller of the Currency. **Not NCUA/NCUSIF/FDIC insured, May Lose Value, No Financial Institution Guarantee. Not a deposit of any financial institution.**

FR-1631405.1-1016-1118

Call Us Today!

CEFCU Investment Services

309.633.2571 or 1.800.356.7865, ext. 32571
*Investments, College Savings Programs,
Retirement Planning*

309.633.7479 or 1.800.633.7077, ext. 37479
Life and Long-Term Care Insurance

CEFCU Wealth Management

309.633.3836 or 1.800.633.7077, ext. 33836
*Investment Management, Retirement
Planning, Estate and Financial Planning,
Corporate Trustee, Living Trust
Management, Estate Settlement*

Private Member Group

309.633.7489 or 1.800.633.7077, ext. 37489