

# Financial Issues

FALL 2021

CEFCU® Investment Services and Wealth Management

## New Job?

### Maximize Your 401(k) with a Direct Rollover Individual Retirement Account (IRA)!

Chances are, you'll change employers during your career. Fortunately, 401(k), 403(b), and 457(b) plans can move with you. To avoid losing money and paying tax penalties, know your options before you move your retirement plan.

### Save Money with a Direct Rollover

You can handle a rollover by yourself, **but** it may end up costing you. Your employer gives you a check for the value of your retirement account, minus 20% withholding per IRS requirements. And, you only have 60 days to re-invest the funds into a new retirement account to avoid additional taxes and penalties.

With a Direct Rollover IRA through CEFCU Wealth Management, **no** money is withheld for taxes. The transfer is tax-free! You maintain your investment value, avoid tax penalties, and get professional guidance on your options.



### Your Rollover Options

Retirement plans are unique, so check with your employer's retirement representative on plan specifics first, then contact CEFCU Wealth Management. **We can facilitate direct rollovers into *any* of these IRAs:**

EMPLOYER PLANS	CAN ROLL TO...				
	Roth IRA	Traditional IRA	SIMPLE IRA	SEP-IRA	FlexIRA™
Designated Roth Account 401(k), 403(b), 457(b)	Yes	No	No	Yes	Yes
403(b) (pre-tax)	Yes	Yes	Yes	Yes	Yes
Qualified Plan (pre-tax – such as an employer-sponsored retirement plan)	Yes	Yes	Yes	Yes	Yes
Governmental 457(b)	Yes	Yes	Yes	Yes	Yes

Continued on page 2

## The Bottom Line

Many people switching jobs can benefit from directly rolling over a 401(k) into an IRA. Get the professional service you deserve to make the best decision for your hard-earned money. Contact Kevin Barbier, CERTIFIED FINANCIAL PLANNER™ professional and Trust and Investment Officer, part of the Members Trust Company and CEFCU Wealth Management team. Kevin follows the same standards that guide your Credit Union — always looking out for your best interests. Contact Kevin at 309.633.3836 or 1.800.356.7865, ext. 33836, or go to [cefcu.com/wealth](https://cefcu.com/wealth).



**Kevin Barbier**  
Trust & Investment  
Management Officer  
CFP® Professional

**CEFCU**® Wealth Management

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## NEW CEFCU Wealth Management Virtual Webinar

**Topic: 2022 Market Outlook**  
*presented on September 21, 2021*

**Presenter: Jason Ritzenhaler CFA, CTFA**  
*Co-Chief Investment Officer, Director of Investments & Institutional Business, Members Trust Company (MTC)*

Get valuable insights on how the current economic environment could impact investment opportunities through 2021 and into 2022.

**WATCH ON DEMAND IN  
EARLY OCTOBER!**



AT [CEFCU.COM/WEALTH](https://cefcu.com/wealth)

## More Upcoming LIVE Virtual Investment Seminars!

Join us from the comfort of your home or office. Topics this quarter include:

- ◆ Rollover Planning
- ◆ How to Weather a Bear Market
- ◆ Income for Life
- ◆ Social Security and Your Retirement
- ◆ Three Transitions to Retirement

To register, go to [cefcu.com/seminars](https://cefcu.com/seminars).

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# Despite Some Respite in College Costs — Keep Saving!

Annual tuition hikes slowed in 2020 as colleges responded to COVID-19 and its financial impact on Americans. The average tuition and fees has dropped about 4% at in-state, public colleges and 5% for private, ranked colleges! Historically, college tuition has surpassed inflation by nearly 6% every year!

While uncertainty remains for future college costs, the fact is *college is still expensive, and it's important to continue saving!* Scholarships, federal aid, and loans may not cover 100% of costs. CEFCU Investment Services can help you create a plan to match your risk tolerance, time horizon, and budget.

## College Savings Strategies

- ◆ **Keep retirement savings earmarked for retirement!**  
An annual Sallie Mae® survey reported nearly half of college costs are covered by parent income and savings (often from retirement funds).<sup>2</sup> This decreases student debt, but can delay parents' retirement, and give retirees less to live on.
- ◆ **Consider saving with a 529 plan.**  
You may qualify for a state tax deduction or credit. More than 30 states offer potential tax benefits, and many plans offer a variety of investment choices.
- ◆ **Build funds through equity investments instead of common savings accounts.**  
Give your money a chance to grow in a variety of investment options at greater returns than what you may earn in lower-interest, fixed-rate accounts, such as Certificates.
- ◆ **Contribute to a Coverdell Education Savings Account.**  
A great starting point for savings with a \$2,000 annual contribution limit. Contributions grow tax-free until distributions are taken.

Start a conversation about your family's goals for college planning with a CEFCU Investment Services Advisor, and check out calculators and more at [cefcu.com/invest](https://cefcu.com/invest). You have access to many funding choices!

## No-obligation appointments are available:

- ◆ by phone at 309.633.2571 or 1.800.356.7856, ext. 32571
- ◆ online at [cefcu.com/advisor](https://cefcu.com/advisor)
- ◆ in-person at most Member Centers.

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Citations.

1. [usnews.com/education/best-colleges/paying-for-college/articles/paying-for-college-infographic](https://usnews.com/education/best-colleges/paying-for-college/articles/paying-for-college-infographic) [9/14/20]
2. [salliemae.com/about/leading-research/how-america-pays-for-college](https://salliemae.com/about/leading-research/how-america-pays-for-college) [1/21]



## A Case for Building a College Fund

If you save \$300 a month for 10 years at 7% a year, your money will grow to **\$52,228**.

If you borrow that much in a federal, fixed-rate loan, you'd owe about \$600 a month for the next 10 years, and pay about \$20,000 in interest!



**CEFCU**<sup>®</sup>  
Investment Services



## Investment Services & Wealth Management

7900 N. University Street  
Peoria, IL 61615

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## Personal Banking Options, too!

If you need a full range of wealth management services, a member of CEFCU's Private Member Group can meet with you at your office or home — whichever is most convenient for you. Services include facilitating:

- ◆ Personal lines of credit
- ◆ Jumbo or specialized mortgages
- ◆ Construction financing
- ◆ And, much more!

Brad Schupp, CEFCU's Private Member Group manager, has over 25 years of experience serving members with diverse financial needs. Contact Brad at 309.633.7489 or 1.800.356.7865, ext. 37489 or at [bschupp@cefcu.com](mailto:bschupp@cefcu.com).



FR-3744725.1-0921-1023

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## Contact Us Today!

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

**CEFCU Wealth Management**  
309.633.3836 or 1.800.356.7865, ext. 33836  
*Investment Management, Retirement  
Planning, Estate and Financial Planning,  
Corporate Trustee, Living Trust  
Management, Estate Settlement*

**Private Member Group**  
309.633.7489 or 1.800.356.7865, ext. 37489

For even more  
information, go to  
[cefcu.com/investments](http://cefcu.com/investments).