On Thursday, December 3, 2015, National Credit Union Administration Board Member J. Mark McWatters visited the headquarters of the Polish & Slavic Federal Credit Union to meet with Board of Directors and management to discuss the challenges facing credit unions today.

Mr. McWatters’ determination to gain more insight into credit union operations led him to the Brooklyn headquarters of our 85,000-member credit union, which is the largest ethnic credit union in the country. The NCUA Board member stated his desire to talk with credit union representatives in order to learn about the specific nature of our work as well as the demands and difficulties we encounter in our day-to-day operations. This was his first visit to Greenpoint, our Brooklyn headquarters.

During the meeting with management and Board of Directors, Mr. McWatters was told by PSFCU representatives that our biggest issue is the growing cost of complying with new regulations. “At our last strategic planning session, we discussed how additional regulations are a major challenge for our credit union, significantly increasing..."
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NCUA Board Member...

... continued from page 1

operating costs,” said PSFCU CEO/President Bogdan Chmielewski. “We urge the NCUA to exercise reason in the matter of new regulations. Creating more obstacles and red tape for credit unions takes away from our collective mission of helping our communities and members.”

“Such meetings are very helpful to me in making the right decisions, and that is why I try to travel outside of Washington, D.C. to meet with credit unions,” said Mr. McWatters. “I listen to your daily experiences, I get information from NCUA employees, and then using my 30 years of legal experience, I can form my own opinion to help improve the efficiency and effectiveness of today’s credit unions.”

In addition to discussing regulatory issues, Mr. McWatters was treated to a brief history of the PSFCU, a proud and growing institution that will be celebrating its 40th anniversary in 2016. Founded in Brooklyn in 1976, PSFCU has grown into an institution with 16 branches in three states (New York, New Jersey and Illinois). It has over 85,000 members and assets in excess of $1.67 billion.

Holiday Season at PSFCU
Individual Retirement Accounts at PSFCU

Polish & Slavic Federal Credit Union currently offers Traditional and Roth IRAs at competitive rates. Both Traditional and Roth IRAs offer special tax advantages. You can choose to contribute to either kind or to both depending on your eligibility. Also, you can save for your retirement even if you have an employer sponsored retirement plan at work, but with an IRA you have control over your own money. Even though investment into an IRA is a wonderful opportunity, the choice of a retirement plan that is best suited to your needs is a complex decision which requires careful planning. You are advised to consult a competent tax advisor when making any decisions involving your IRAs. IRAs are federally regulated and you bear full responsibility for any decisions and actions involving IRAs.

Traditional IRA
Contributions you make to a traditional IRA may be fully or partially deductible, depending on your circumstances, and are tax-deferred until distributed. The deduction may be limited if you or your spouse is covered by a retirement plan at work and your income exceeds certain levels. Distribution prior to age 59 1/2 are considered early distributions and are subject to an early distribution penalty of 10%, unless your distribution qualifies for an exception to the early distribution penalty.

Roth IRA
Contributions to Roth IRA are not tax deductible. However, interest earnings can accumulate tax-free. Contributions can be distributed tax-free and penalty-free at any time and at any age. Earnings can be distributed tax-free and without a 10% penalty if the Roth IRA holder made a first Roth IRA contribution at least five years earlier AND one of the following events occurs: attaining age 59 ½, incurring a disability, payment for a qualified first home purchase (subject to a lifetime limit of $10,000) OR payments are made to beneficiaries after death. Distributions are not required by Roth IRA owners at age 70 1/2.

There are four ways of transferring your retirement savings to an IRA at PSFCU:

- Direct Rollover
  If you are eligible to receive a distribution from an employer-sponsored retirement plan (401(k), pension plan, etc.) you can rollover your funds to your Traditional IRA at PSFCU.

- IRA Transfer
  You can transfer Traditional IRA or Roth IRA held at another financial institution to the same type of IRA at PSFCU. There is no limit on the number of transfers, they do not have to be completed within 60 days, and they are not reportable to the IRS. If you are age 70 1/2 or older you can transfer the entire IRA balance, including the RMD (Required Minimum Distribution), but you must remember to take the full RMD amount by the deadline.

- IRA Rollover
  IRA Rollover is a two-step transaction. The IRA funds are distributed to IRA owner and must be re-deposited (rolled over) within 60 calendar days to the same kind of IRA at the same or different financial institution. As opposed to the trustee-to-trustee transfer, rollover is a reportable transaction so the distribution and the re-deposit (rollover) are reported. If you are age 70 1/2 or older in the year you receive a distribution from your Traditional IRA, you are not allowed to rollover the RMD amount.

- Conversion
  Besides allowing annual contributions to Roth IRA, the law also allows individuals to convert their Traditional IRAs to Roth IRAs. The conversion amount is subject to federal income tax, but without a 10% penalty. Currently, anyone can convert Traditional IRA to Roth IRA without regard to income level and tax filing status. In general, the converted amount is taxed at the rate effective during the year in which such conversion was completed.

1) PSFCU also offers SEP and SIMPLE IRAs.
2) Consult your tax advisor on your eligibility to contribute to a Traditional or Roth IRA or any other decisions involving your IRA.
3) Consult your tax advisor to determine your eligibility to claim a deduction.
4) Consult your tax advisor to ascertain that your penalty-free distribution is qualified.

Fulfill your New Year resolution and take care of your financial future

TAKE ADVANTAGE OF THE PROMOTIONAL IRA TERM SHARE ON 2015 AND 2016 CONTRIBUTIONS

2.25% APY* FOR 5 YEARS

*APY—Annual Percentage Yield as of 01/02/2016. Promotion is valid for term shares opened between January 2 and April 15, 2016. Funds required to open the term share account must be deposited to a new or existing IRA account during the promotional period. Minimum balance of $500.00 is required to open a term share account, up to the maximum amount of contribution determined by the IRS for years 2015 and 2016. Early withdrawal penalties may apply. Additional information may be obtained at PSFCU branches or by calling our Member Services Center at 1-855-PSFCU.4U (1-855-773-2848). Consult your tax advisor before making any decision related to an IRA account. Additional information about other term shares offered by PSFCU is available at www.psfcu.com. Offer for PSFCU members only. Membership restrictions apply. Other restrictions apply.
2016 PSFCU Scholarship Program

As is the case each year, PSFCU has launched its scholarship program open to young and talented members of our Credit Union. The first part of the initiative, run jointly with the New York Credit Union Association, is nearing its deadline. The program offers scholarships to college-bound high school graduates. Awards of up to $1,500 may be put toward the expenses of two- or four-year programs at accredited colleges and universities.

This marks the first part of the 2016 Scholarship Program. The program for college and university students starts in early Spring 2016. Names of scholarship winners will be announced in May. The entire 2016 Scholarship Program is being supervised by the Scholarship Committee made up of representatives of the PSFCU Board of Directors composed of: Chairperson Małgorzata Wadolowski, Małgorzata Czajkowska, Małgorzata Gradzki, Bożena Kajewska-Pielarz, Iwona Podolak and Marzena Wierzbowska. The Scholarship Committee, which will evaluate the candidates, is again being chaired by Dr. Katarzyna Kowalska.

The PSFCU Scholarship Program is being organized for the sixteenth time. Since the beginning of the program in 2001, the Polish & Slavic Federal Credit Union has allocated over $3,250,000 to the Scholarship Program, awarding nearly 2,800 young members of our Credit Union.

New and Improved PSFCU Internet Banking Experience

We recognize the importance of convenience and security when it comes to online banking, so we are introducing a new online banking platform with many new secure features coming soon. Some of the new features will include:

• Advanced security - encryption technologies with multi-factor authentication.
• Intuitive and engaging dashboard – visually engaging and user-friendly dashboard brings everything together. Detailed account overviews include visual analytics that detail user balances and spending trends.
• Configurable alerts – configurable alerts and notifications inform users of account activity to prevent fraud as well as keep you connected and informed.

Contemporary Design Featuring Data Visualization.

Please also note that the appearance of our Online Banking will be new and refreshed just like our new website.

Changes Coming in February to Your PSFCU Visa Credit Card

• New Account Number
• Enhanced Chip Security
• New Look for All Cards
• New Product Line
  ➢ Elite: VISA® Signature Card
  ➢ Premier: Rewards Card
  ➢ Advantage: Low Rate Card
  ➢ Liberty: Student Card
  ➢ Choice: Secured Card
• New Reward Program including Cash Rewards*
• No Annual Fees
• Low Rates
• 24/7 Online Account Access
• Convenient Activation and Payment Options

*Restrictions apply. All loans are subject to credit approval and verification.