

YOLO FEDERAL CREDIT UNION C-NOTES

Newsletter Spring 2021

NORTONLIFELOCK™ | ACHIEVE SWEEPSTAKES | 401K ROLLOVERS

5 REASONS TO ROLLOVER A 401K

Many employers offer retirement benefits such as 401k's. But when you leave your job, what exactly should you do with your current retirement plan set up by your previous employer?

Here are a few options:

- Cash it out.
- Leave it.
- Transfer it to your new employer's 401k plan (if one exists).
- Roll it into an Individual Retirement Account (IRA).



You'll probably want to scratch off the first option. Cashing out your 401k may come with taxes and other penalties that could be financially staggering. For most people, rolling over a 401k to an IRA is the best choice for a few different reasons. To help you see the benefits of a 401k rollover, we've put together our top 5 reasons below.

More Options. Your employer-sponsored 401k plan is picked out by your employer, meaning you're limited in your choices with how you invest. You likely will have a choice of a few mutual funds. IRAs, however, offer more investment options, including mutual funds, individual stocks, bonds, and exchange-traded funds (ETFs). You're also able to buy and sell your holdings anytime you want, giving you more control over your portfolio.

Better Communication. If you leave your 401k plan with your current employer, communication with your plan administrator may be difficult—since you no longer work there. Having access to information about your plan is critical. With a financial advisor, you'll be able to review your retirement portfolio regularly so you can make the best decisions to reach your goals.

Lower Fees and Costs. You'll first want to crunch the numbers, but rolling over your 401k plan to an IRA could save you in management fees, administration fees, and fund expense ratios. Though your IRA won't be fee-less either, it's important to consider your current plan's costs and include this in your decision-making process.

Fewer Rules. The rules for 401k plans vary, whereas IRA regulations are set by the Internal Revenue Service (IRS), and most brokers follow the same rules across the board. Additionally, rules for distributions are also something to consider. The IRS requires 20% of the distribution from a 401k to be withheld for federal taxes*. With an IRA, you can choose whether to have tax withheld and the amount.

Estate Planning Advantages. Your 401k plan may be paid in a lump sum to your beneficiary upon your death, which could cause income and inheritance tax headaches. This will depend on your particular plan, but most employers prefer to distribute the funds quickly. While inherited IRAs have regulations, too, there are more payout options available to your beneficiary.

There is no one-size-fits-all when it comes to 401k rollovers, and you're going to want to find the path that best suits your needs and helps you achieve your retirement goals. If you're looking into doing a 401k rollover or would like more information about the pros and cons, CFS** Financial Advisor Monaye Morgan-Nelson is here to help you.

Schedule a no-cost, no-obligation appointment with her today at mmorgan@cusonet.com!

NORTONLIFELOCK™

According to a study by NortonLifeLock™, more than 90% of Americans have concerns about data privacy. As we approach tax season, a period when identity theft is most prominent, there's no better time to take action to protect yourself from the devastating effects that identity theft could cause.

Don't Share Your Information

One of the easiest ways a criminal can capture your information is simply by asking you for it. Have you ever received a call from the IRS claiming that you owed money? This is one targeted way to capture your information. These calls are intended to scare you into providing information to the criminal.

Update Your Passwords

Your passwords are another easy way for cybercriminals to gain access to your personal information. Weak passwords leave you open for an attack—and because many of us likely use the same password across multiple platforms, a password breach could be disastrous. To help you learn to create stronger passwords, check out our Password Protection blog post: yolofcu.org/passwordprotection.

Keep Yourself Informed

Often, identity theft victims don't realize their identity has been stolen until it's too late. You can protect yourself by enrolling in NortonLifeLock™*, a new, free Visa® benefit that has been added to our Consumer Credit Cards as of February 1, 2021. To learn more and enroll in this free program, visit www.cardbenefitidprotect.com.

Thinking about identity theft may seem scary, but the best way to protect yourself from becoming a victim is to stay informed, update your security protocols, and provide yourself a safety net should the worst happen. If you have questions about how to protect yourself from identity theft or want more information about our new Visa benefit, NortonLifeLock™, schedule an appointment with a local expert at yolofcu.org/schedule.

*For details about taxes and tax-deductions, consult your tax accountant.

**Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk, including possible loss of principal. Investment Representatives are registered through CFS. The Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.

*No one can prevent all identity theft.

PRESIDENT'S CORNER

Credit unions were established in 1909 to promote thrift and creating a source of credit for its members. Yolo Federal Credit Union was founded in 1954 to serve the unique needs of our members. Initially, we were the credit union of local law enforcement that needed funding to purchase equipment for work. Though we've evolved significantly over the past six decades, our mission remains the same in helping our community achieve financial success through financial literacy to help our members make smart financial decisions.

We recently expanded our financial wellness program to include Achieve—an online resource available in English and Spanish. Our Achieve financial success program offers a wide range of topics, from buying your first car or home to budgeting and setting financial foundations for managing your money. Visit yolofcu.org/achieve and start building your customized playlist today.

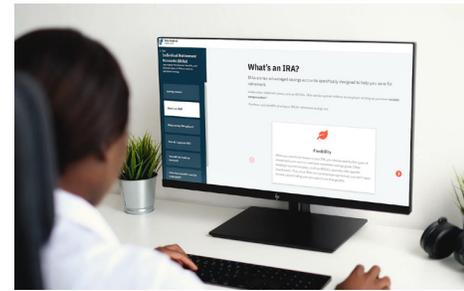
When was the last time you thought about your retirement plans? Whether it's quickly approaching or you have some time to prepare, now is the time to get started. Our CFS* Financial Advisor, Monaye Nelson-Morgan, can give you objective advice about investing in your future to help you determine the best option. We know life is busy, so we are pleased that Monaye is remote capable and can meet with you while you are on the go. Contact Monaye today to set up your virtual appointment at mmorgan@cusonet.com.

Speaking of being on the go, our Mobile App and Online Banking are being upgraded with a new bill payment system. These upgrades will improve the ease of use and intuitive functionality. The updated platform will allow you to set up payees by taking a photo of your bill, easily transfer funds between friends, and move money between your accounts with other financial institutions and us.

Thank you for voting us #1 Credit Union and Mortgage Company of Yolo County. We are proud to be the only financial institution exclusively serving this community. As we greet the Spring with a sense of renewed hope and optimism, I hope you will continue to support our local businesses, including your local credit union!

ACHIEVE SWEEPSTAKES

As Yolo County's #1 Best Credit Union, our mission is to help Yolo County achieve financial success. We do that by providing resources so that our members can make financial decisions with confidence. That is why we are excited to offer Achieve, our financial wellness program. No matter what you're looking for, there's a playlist to fit your financial wellness goals.



During April 2021, we are giving away a \$300 Nugget gift card to one randomly selected person who registers for the Achieve Financial Success program and completes the following three playlists: **Budgeting For Life**, **Climbing Out of Debt**, and **Retirement—The Golden Years!** Visit our website to view our official rules yolofcu.org/achievesweepstakes. Or head to our Achieve program at yolofcu.org/achieve and start learning today!

NOTICES

NON-VISA® DEBIT TRANSACTION PROCESSING

We have enabled non-Visa debit transaction processing. This means you may use your VISA®-branded Debit Card on a PIN-Debit Network* (a non-VISA® network) without using a PIN. The non-VISA® debit network(s) for which such transactions are enabled are: STAR, COOP, and MoneyPass® Networks.

Examples of the types of actions that you may be required to make to initiate a VISA® transaction on your VISA®-branded Debit Card include signing a receipt, providing a card number over the phone or via the Internet, or swiping the card through a point-of-sale terminal. Examples of the types of actions you may be required to make to initiate a transaction on a PIN-Debit Network include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through the use of a PIN.

The provisions of your agreement with us relating only to VISA® transactions are not applicable to non-VISA® transactions. For example, the additional limits on liability (sometimes referred to as VISA®'s zero-liability program) and the streamlined error resolution procedures offered on VISA® Debit Card transactions are not applicable to transactions processed on a PIN-Debit Network.

*VISA® Rules generally define a PIN-Debit Network as a non-VISA® debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program.

LEAVE US A REVIEW

Love us? Leave us a review on any of the websites listed below.



If you, or one of your immediate family members, live, work, worship, or attend school in Yolo County, you are entitled to a membership with Yolo FCU.

For contact information and branch locations, please visit yolofcu.org/about/contact/.

Insured by NCUA



Yolo Federal
Credit Union



CLOSURES

Memorial Day—Monday, May 31, 2021
Independence Day—Monday, July 5, 2021