

SPRING 2022

aim

Local Government Federal Credit Union

RETIRE AND WIN!



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TO LIVE WELL LATER**

YOUR PET PHOTOS!
PLUS 5 MONEY-SAVING TIPS

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INSURANCE 101

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Farm-to-table finances



Maurice R. Smith
Chief Executive Officer
29-year member



 lgfcu.org/ceopoint

I consider my upbringing on a farm to be one of the most important experiences of my life. Learning how to work has formed my character and outlook on life.

As a kid, I must admit not appreciating the constant work demands. As an adult, I realize the gift of work ethics my parents taught me along the way.

Farm work was hard, but a rewarding livelihood. There were always chores to complete, animals to feed, and crops to tend. The work started before sunrise and often continued past sunset.

An advantage of farm life was the connection we had to our food.

Some restaurants promote “farm-to-table” menus. The benefit of knowing how your food is planted, cultivated and prepared is satisfying. You want to know your food is safe and responsibly sourced.

The same can be said for the financial services we consume. It matters who serves you and how the resources for financial products are sourced. You see, all money is not the same.

Money can be empowering. Financial services allow us to leverage our ability to buy the things we need, save for the future, and be resilient against life’s slumps.

The right financial products help us get ahead. The wrong financial providers can be harmful. Institutions that get their money from price gouging sources tend to take advantage of consumers.

Your Credit Union practices a farm-to-table approach to financial services. You know exactly where your money originated and where it goes. There are no preservatives or additives in the form of unhealthy stockholders. You get access to financial products that are pure and designed just for you.

Here’s what we mean by this: Members provide the resources to help their Credit Union serve fellow members. There are no outside investors whose interests run contrary to your needs. Credit Union services are grown for and by members.

At the Credit Union, it is always harvesting time. This is because we are available to help you with your financial needs in every season.



Aim is published four times per year by Local Government Federal Credit Union (LGFCU) and reaches more than 215,000 member households, providing financial education and highlighting members’ professional and personal successes. As a not-for-profit cooperative, the mission of LGFCU is “to improve the lives of our members.” To comment on Aim, email editor@lgfcu.org.

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RETIRE AND WIN!

**PLAN NOW,
TO LIVE WELL LATER**




▲ Retired local government employee Mike Eubank and his wife, Peggy, bought "Cozy Rosy" secondhand as part of their well-played financial plans — and to visit their grandchildren, of course! Always budget-minded, Mike says an employer's retirement savings plan is a "wonderful way to build wealth."



▶ Angela Jones, director of human resources for Robeson County, says the key to retirement saving is to start early and stick with it.

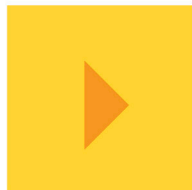
“The years go by quickly. If you’re not saving, how will you afford to retire and have a quality way of life?” she says.



With that alarm clock still beeping each morning, your retirement years might seem far away. But planning for them can happen now.

You’re not alone if you feel confused or intimidated when it comes to saving for retirement, so read on for tips to get you started and keep you going. You’ll also meet a successfully retired LGFCU member who shares how it can be done — he’s even got the RV to prove it!

WRITTEN BY NANCY PARDUE
PHOTOGRAPHED BY EDWARD KENSICKI
DESIGN BY KRISTY BUCHANAN AND SABINE KOWAL



"Retirement means a lot of things to people," says Mike Eubank of Kill Devil Hills. For him, it often means hitting the road with his wife, Peggy, in their RV dubbed "Cozy Rosy."

"I feel I have the luxury of being a free agent," Mike says, "to travel and in some cases, to do nothing!"

Mike volunteers at the Pea Island National Wildlife Refuge, and as a certified retirement counselor with the Seniors' Health Insurance Information Program (SHIIP), helping other seniors with their Medicare plans.

A member of the LGFCU Advisory Council, Mike came late to local government, bringing his finance and budgeting expertise to the Town of Kitty Hawk at age 55 after years of experience in the private and nonprofit sectors, including as an entrepreneur.

He retired as finance director in 2012.

A "free agent" in retirement, Mike volunteers at the Pea Island National Wildlife Refuge.

"I was pretty happy with life at 55, but it couldn't have been a more perfect job description, so I applied. I'm glad I did," he says. He also took advantage of the town's retirement savings plans.

START SMALL, BUILD WEALTH

Most North Carolina city and county employees have the option to take part in the Local Governmental Employees' Retirement System (LGERS). Depending on where you work, this can include a 401(a) Defined Benefit Plan, and NC 401(k) and NC 457 Defined Contribution Plans.

Employers often match your contributions to these plans, which helps boost your retirement savings.

"It's a wonderful way to build wealth, no matter the age you start," Mike says. "Start small if you have to and maximize [your contributions] if you can."

Angela Jones, director of human resources for Robeson County since 2015, agrees that the key to retirement saving is to start early and stick with it.

"The years go by quickly," she says. "If you're not saving, how will you afford to retire and have a quality way of life?"

"At least contribute enough [to a retirement plan] to earn your employer's match – that's free money!"

– JAMIE BARNETT
LGFCU FINANCIAL LITERACY MANAGER



Employers will often match your contributions to retirement plans, Angela points out to employees like Sgt. Deidre Howell of the Robeson County Sheriff's Office. And in addition to county resources, she says, "I love that LGFCU materials add to what I can offer employees!"

"We try to give employees the tools, and hope they accept. ... The more knowledge they have, the better choices they can make."

— ANGELA JONES
HUMAN RESOURCES DIRECTOR, ROBESON COUNTY



MORE KNOWLEDGE, BETTER CHOICES

Most popular with employees here is the county's 401(k) program: Contributions can come straight from employees' paychecks, and the county contributes 4% of each employee's salary to the plan, whether they match it or not.

"We encourage employees to match or at least make some kind of contribution; you can't miss money you never had," Angela says. She recommends creating a secure online account with ORBIT, the retirement resource for local and state government employees at orbit.myncretirement.com. It offers information on eligibility, health benefits and more.

"Employees can see projections in ORBIT's retirement calculator system to give them an idea of how

much money they'll need," she says. "That's empowering. The more knowledge they have, the better choices they can make."

Angela also points employees to the county's external 401(k) representative for guidance. And as a member of the LGFCU Advisory Council, she shares the Credit Union's financial education materials. She suggests checking with your employer for available resources to learn strategies for retirement saving.

"We try to give employees the tools, and hope they accept," Angela says.

'LIVE DELIBERATELY'

A “budget guy” since his boyhood days of delivering newspapers, Mike quotes President Calvin Coolidge for his financial perspective: “There is no dignity quite so impressive, and no independence quite so important, as living within your means.”

Over the years, Mike applied extra money like gifts and pay raises toward his financial goals. He recommends using a budget tracking tool, such as LGFCU’s Compass.

“I can’t emphasize enough how important it is to prioritize, to live deliberately,” he says. “Your income versus your wants and needs and goals — that’s your budget. Stick with it, adjust it and evaluate it every year. Each time you meet a goal, invest that money toward the next one, so that you’re constantly increasing your net worth and bottom line.”

Two years before retirement, Mike and Peggy adjusted their lifestyle and began living on their basic retirement income. This “test drive” is why they can now maintain a balanced budget using only the required minimum distributions (RMD) from their IRAs, while the rest of their funds keep earning.

For large needs that arise, they use LGFCU’s low-interest Home Equity Line of Credit (HELOC), to avoid tapping into their investments.

KEEP GOING

It’s never too early to plan for retirement, Angela says.

“And the more money you make, the more you should save. With every raise, use a portion to contribute to your 401(k),” she says.

Mike adds: “I recognize that I’m blessed, and I’m grateful. But I’ve been where a lot of people are, and we need to encourage each other. The journey of life includes opportunities and experiences, and in retirement this is still true.” ➔

“I can’t emphasize enough how important it is to live deliberately. Each time you meet a goal, invest that money toward the next one, so that you’re constantly increasing your net worth and bottom line.”

— MIKE EUBANK

RETIRED FINANCE DIRECTOR, KITTY HAWK



Important to Mike is his role as a certified retirement counselor in Dare County with the statewide Seniors’ Health Insurance Information Program (SHIIP).

“You can’t miss money you never had. ... With every raise, use a portion to contribute to your 401(k).”

— ANGELA JONES

RETIREMENT



How do you envision your retirement? No matter your dreams, saving is key. Here are some pointers for your planning, from LGFCU Financial Literacy Manager Jamie Barnett:

401(K)

To live well in retirement, most people need about 80% of their current income. A 401(k) through your employer can be an easy way to save that money.

The earlier you begin to save, the lower your yearly savings rate can be. For example, if you start at age 25, aim to save 15% of your income, excluding your employer's match. If you start at age 35, save 23%.

"If that's too much for your budget, at least contribute enough to earn your employer's match — that's free money!" Jamie says.

It's OK to have just one retirement account if the investments are spread across various types of assets. It's not OK to have all your money invested in one industry or a single company's stock.

Note: At age 59½ you can take withdrawals from your 401(k) with no IRS penalties.

MEDICARE

Americans aged 65 and over are eligible to enroll in Medicare. Depending on the plan you choose, you may have to pay premiums or deductibles, and Medicare doesn't cover vision, hearing or dental care.

[medicare.gov](https://www.medicare.gov)

For help with Medicare planning, SHIP counselors are available across North Carolina.

bit.ly/lgfcushiip

Pre-retirement, you may want to consider long-term care insurance to protect your finances from uncovered medical costs.

IRAS

With a traditional IRA you contribute pre-tax dollars, then pay tax when you use the money in retirement. This can work well, since many of us are in a lower tax bracket then, but there's no guarantee of that.

With a Roth IRA, your contributions are taxed now, but the withdrawal of earnings could potentially be tax- and penalty-free if certain requirements are met.

There's no wrong answer here. Having a mix of accounts to draw from can help offset the tax burden.

lgfcu.org/compareiras

SOCIAL SECURITY

Social Security is calculated based on your last 35 years of earnings. You're eligible at age 62, but at a reduced monthly benefit. People born after 1960 can receive full retirement benefits at age 67. Benefits don't increase after age 70, so there's no reason to wait to apply.

Create a free My Social Security account any time, to get personalized earnings statements and benefit estimates.

ssa.gov/myaccount

MORE AT LGFCU.ORG

Your Credit Union is here to help! We have tools to use on your path to a successful retirement. Find information on all of these at lgfcu.org.

- ▶ Retirement calculators
- ▶ Compass by LGFCU for budgeting, goal setting
- ▶ Financial Counseling Program
- ▶ Share and Money Market accounts
- ▶ Traditional, Roth and SEP IRAs

Consider your coverage

LIFE AND AD&D INSURANCE ARE NOT THE SAME

Life insurance and accidental death and dismemberment (AD&D) insurance can both offer important coverage for your loved ones. Knowing what each one covers can help you decide which type of policy is best for your needs, and if having both is appropriate.



WHAT'S THE DIFFERENCE?

For many people, the differences can be confusing when you consider these two types of insurance side by side. While AD&D insurance pays a benefit in the event of specific injuries or death caused by an accident, life insurance pays a benefit only in the event of your death.

Because both types of policies can play a crucial role in building your comprehensive insurance plan, it's important to understand these differences.

You'll want to check policies for exact details, but here's a general comparison of what's covered by each.

THE SITUATION	COVERED BY LIFE INSURANCE	COVERED BY AD&D
Death due to illness such as stroke or heart attack; disease such as cancer; or natural causes	Yes	No, but some insurers offer riders to cover this at an additional cost.
Death due to an accident or unnatural causes, such as traffic accident or fall	Yes	Yes
Death due to a drug overdose or suicide	Yes. Suicide is usually covered only after the policy has been in force for at least two years.	No
Loss of a limb, sight, hearing or speech	No	Yes, a portion of the policy's face value. Each insurer and policy define the extent of injuries covered.
Loss of use of limb(s) due to partial or permanent paralysis	No	Yes, a portion of the policy's face value. Each insurer and policy define the extent of injuries covered.

Your Credit Union offers more helpful insurance tips at lgfcu.org/lifeanddisability.

FAT CAT® Fun Page



Hi, August here. Check out how my friend Cal sticks to a budget!

LEARNING to be a **SMART SHOPPER**

Cal is going to help with grocery shopping.

Our grocery budget is \$50.

OK!

Cal goes shopping and checks his list. Can you see which items might help Cal save money?



Did he spend too much filling the cart? Cal adds up the cost of the groceries. He met the budget!



Great job using a budget to save, Cal!



SPENDING AND SAVING GO TOGETHER! HAVING A SAVINGS ACCOUNT AT THE CREDIT UNION CAN HELP YOU **SAVE** UP YOUR MONEY.



FAT CAT IS FOR KIDS AGES BIRTH THROUGH 12. VISIT LGFCU.ORG/FATCAT FOR MORE DETAILS.

5 money-saving tips for pet parents

Having a pet is a big financial commitment. Throw in some medical needs and your pet bills may look larger than expected. Here are 5 ways to save money on pet expenses so you can love your pet without shedding your savings.



Go generic

A lot of your pet's name-brand products can be substituted with just-as-good generic brands — which are usually 15 to 30% lower in price.

Shop online and subscribe to save

Browse online for sales you may not find in-store. And consider setting up recurring orders for products you use regularly, such as food or litter. Subscribing can win you product discounts between 10 and 30%.

Only use what you need

Sometimes back-of-the-bag recommendations for how much food to give your pet are far too much. Talk to your vet about caloric needs and then use a measuring cup to dole out the daily ration. You may be surprised how much further a bag of food goes and how quickly savings can add up.

Thanks to all of the LGFCU members who submitted photos of their precious pets!

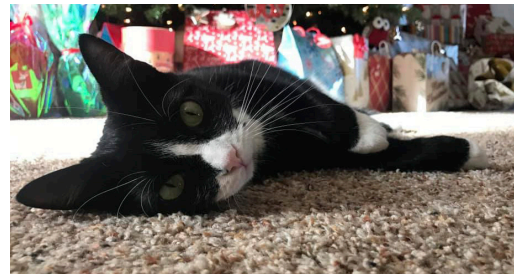
At right: Jax, Stella Rose, Sadie and Charlie, Swirl and Batman.

Buy secondhand and get creative

Yard sales and thrift stores can be gold mines for popular pet products like dog dishes or cat condos. And if you stumble across an item you can repurpose, like a baby gate in place of a commercial pet gate, you could win savings of around 50%.

Consider pet insurance

Pet insurance is a financial safety net for the unknown. It takes time to save up money, and you'll never know when you may need to access funds for a veterinary expense. But by opting in on pet insurance, you protect yourself from potential big-ticket costs. This will be less expensive than treating a health condition, possibly a chronic one that wasn't prevented earlier, which could save you thousands of dollars.



You can find more ways to save with the hashtag **#LGFCUdeals**.





Your Credit Union takes the field

The Credit Union name was in full swing as the NC Legends women's senior softball team showed off its LGFCU-sponsored uniforms in the recent Gaston County Senior Games. Tournaments took place in North Carolina and as far away as Arizona.

To follow your Credit Union in action, join our Facebook group, LGFCU in the Community, at bit.ly/lgfcucommunity.

Apply for a scholarship



Did you know LGFCU offers professional development scholarships? Apply by June 1 for the UNC School of Government Scholarship for courses starting July through September.

Find more information at lgfcu.org/sog.



Photo courtesy of Homer Dearmin

Four-Legged Fun

It was a 5K like no other, when LGFCU helped sponsor the King Parks & Recreation Doggie Dash 5K and After-Pawty, held November 20. Celebrating the first anniversary of Rec Acres Dog Park, proceeds of the event benefit the Stokes County Animal Shelter.



meet the MDO

As a Membership Development Officer in western North Carolina, **Greta Gibson** serves as a "connector," listening to people's stories and needs and linking them to useful LGFCU services.

ON RELATIONSHIPS

"I enjoy hearing what's going on in members' lives and communities. I want to understand where the need is and hear about the successes. Our members own the Credit Union. Building relationships enriches our membership and makes the Credit Union more reflective and diverse."

PROFESSIONAL BACKGROUND

Greta's career includes more than 15 years as a "people manager" and retail banker. "That role prepared me to ask open-ended questions and listen with a solution-oriented ear. I learned to push myself outside my comfort zones, because seeds planted make a garden grow."

FAVORITE PART OF HER JOB

"LGFCU does not see members as numbers, and there are no numerical goals determining my day. I cannot see what you have at the Credit Union. Instead, I see the person and hear the story. My goal is simply to improve the lives of our members."

Apply to reset your auto loan

Refinance your auto loan to:

- ▶ Get a better loan rate
- ▶ Lower your monthly payment
- ▶ Take cash from the equity you have in the car
- ▶ Extend the term of your loan

Whether or not your current car loan is through LGFCU, you can still apply to refinance with us.



See if a refi is right for you when you visit our used car rates at lgfcu.org/aimrates.
Or get details on refinancing at lgfcu.org/aimrefinance.



Save your tax refund and save some peace of mind

Expecting a tax refund this year? Consider saving it to help grow your rainy day fund. You could e-file your taxes and direct deposit your refund in your LGFCU Share or Money Market Share Account to save a little now and save yourself a lot of stress later. After all, every step counts when planning for your goals.

Visit lgfcu.org/aimtaxrefund to learn more about building your emergency savings.

YOUR RATES

Loan Rates As of February 9, 2022

Adjustable Rate Mortgages (ARM)*	Rate	APR	Margin	Floor Rate
5-year ARM 80% or less LTV	2.750%	2.827%	1.50%	2.750%
5-year ARM 80.1–90% LTV	2.950%	3.224%	2.00%	3.250%
5-year ARM 90.1–100% LTV	3.150%	3.620%	2.50%	3.750%
5-year ARM (First-Time Homebuyer)† 100% LTV	3.150%	3.620%	2.50%	3.750%
5-year ARM‡ 100.1–110% LTV	4.500%	4.788%	3.50%	4.750%

Variable Rate Loans ^Δ	APR
Home Equity (HELOC) [◇] Up to 90% LTV	2.75%
Signature Personal Open/Closed-end, Unsecured	10.75%
Salary Advance (cash account <\$500) Open-end, \$500 maximum	12.00%
Salary Advance (cash account ≥\$500) Open-end, \$500 maximum	5.50%
Visa [‡] Credit Card	9.75%

Fixed-Rate Loans	Payment example	APR
New Vehicle [◊] Up to 36 months	A \$25,000 New Vehicle Loan will be \$727 for 36 months at 2.95% APR	2.95%
New Vehicle [◊] 37–60 months	A \$25,000 New Vehicle Loan will be \$455 for 60 months at 3.50% APR	3.50%
New Vehicle [◊] 61–72 months	A \$25,000 New Vehicle Loan will be \$391 for 72 months at 3.95% APR	3.95%
New Vehicle [◊] 73–96 months	A \$25,000 New Vehicle Loan will be \$320 for 96 months at 5.25% APR	5.25%
Used Vehicle [∞] Up to 72 months	A \$15,000 Used Vehicle Loan will be \$235 for 72 months at 3.95% APR	3.95%

Deposit Rates As of February 9, 2022

Products	Min. deposit	Rate	APY
Regular Shares	\$25	0.10%	0.10%
Fat Cat Shares	\$5	0.10%	0.10%
Zard Shares	\$25	0.10%	0.10%
Holiday Cash Club	\$0	0.10%	0.10%
IRAs	\$25	0.45%	0.45%
Health Savings Account	\$0	0.45%	0.45%
Checking [§]	—	0.05%	0.05%
Money Market Shares	\$250	0.15%	0.15%
6-month Share Term Certificate**	\$250	0.30%	0.30%
12-month Share Term Certificate**	\$250	0.35%	0.35%
18-month Share Term Certificate**	\$250	0.35%	0.35%
24-month Share Term Certificate**	\$250	0.40%	0.40%
30-month Share Term Certificate**	\$250	0.40%	0.40%
36-month Share Term Certificate**	\$250	0.50%	0.50%
48-month Share Term Certificate**	\$250	0.50%	0.50%
60-month Share Term Certificate**	\$250	0.55%	0.55%

For current and additional rates, visit lgfcu.org/rates.

All rates, terms and conditions can vary and are subject to change.

For additional information on any Credit Union account, visit lgfcu.org, call us at **888.732.8562**, or contact your local branch.

Calls may be recorded.

APR : Annual Percentage Rate
 APY : Annual Percentage Yield
 ARM : Adjustable Rate Mortgage
 LTV : Loan To Value

* Rates are for new first mortgage loans and are subject to change daily. Rates for existing ARMs are subject to change at pre-determined intervals and may be different from the rates for new mortgages.

† These rates are for new first mortgage loans and are subject to change daily. The rates for existing adjustable-rate mortgage loans are subject to change at predetermined intervals and may be different from the rates for new mortgages.

Future rates and payments determined based on adding a margin to the index (5-Year Constant Maturity Treasury Yield rounded up to the next highest one-eighth of one percentage point). The interest rate on our 5-year ARMs cannot change by more than 2.0% every five years, or 6% over the life of the loan.

‡ Special financing for first-time homebuyers (5-year ARM).

Interest paid on the loan portion that is greater than fair market value is not tax deductible for federal income tax purpose. Consult a tax advisor for further information regarding the tax deductibility of interest and charges.

Δ Rates on these loans are subject to increase after consummation.

◇ APR is based on the current index plus a margin. The APR is variable and subject to change quarterly. The index is based on the 26-week Treasury bill rate for the quarter and is set on or after the 15th day of the second month after the end of each calendar quarter adjusted up to the nearest 0.25%. The maximum quarterly rate adjustment is 0.50%. Over the life of the loan the maximum APR will be the initial rate plus five percentage points or 12.75% APR, whichever is higher, but never more than 18% APR. Payment amount will change if the APR changes. HELOC interest payments may be tax deductible; consult your tax advisor.

◊ New vehicle is defined as current, prior or upcoming year model with 10,000 miles or less. Lending is limited to residents in NC, SC, GA, TN and VA. Borrower must maintain collision and comprehensive insurance protection with a maximum deductible of \$1,000 for the life of the loan. Must be age 18 or older for lending services.

∞ Used vehicles may not be older than 10 years or have mileage in excess of 150,000 at time of loan origination. Loan terms are limited to 48 months maximum for models 6 to 10 years old, or with mileage that exceeds 100,000 up to maximum of 150,000. Lending is limited to residents of NC, SC, GA, TN and VA. Borrower must maintain collision and comprehensive insurance protection with a maximum deductible of \$1,000 for the life of the loan. Must be age 18 or older for lending services.

§ Minimum deposit to open each account. Initial checking deposit must cover first box of checks and first \$1 monthly maintenance fee. The minimum balance to earn dividends in your Share/IRA/SEP/CESA accounts is \$25; for Share Term Certificates and for Money Market Share accounts, \$250.

** Share Term Certificates are fixed-rate accounts. Dividends are automatically paid monthly by transfer from the STC to another deposit account. If term is six or 12 months, you may request your dividends be paid when STC matures. Early withdrawal penalty for all STCs is 90 days' dividends or the actual dividends earned, whichever is less.

Fees and/or other conditions may reduce the earnings on an account.

Quoted rates, dividends and annual percentage yields (APY) are subject to change daily at the discretion of the LGFCU Board of Directors.



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See your finances bloom with Direct Deposit



With Direct Deposit* from LGFCU, your money is available in your Checking or Share account as soon as your paycheck, retirement, pension or Social Security funds are deposited!

Once you've enrolled, managing your money is a breeze.

- ▶ Access your money at any CashPoints[®] ATM.
- ▶ Set up a one-time or recurring Funds Transfer to send money to other LGFCU accounts, including adding to your savings.
- ▶ Sign up for BillPay to easily pay your bills online or on the LGFCU Mobile App!

Plant the seed for simple money management by enrolling in Direct Deposit today.

Visit lgfcu.org/aimdeposits for details.

* Direct Deposit of payroll checks or other funds is subject to employer or fund administrator's participation.

† LGFCU does not control the functionality of your mobile device's biometric authentication for sign-in to our app, as applicable, and does not have access to biometric information stored on your device. Eligibility requirements and other restrictions apply. Message and data rates may apply.