Your guide to financial wellness

For more information on accounts and services available through SECU, visit your local SECU branch, call the Contact Centers at 1-888-732-8562 or 919-857-2150 or visit our website, www.ncsecu.org.
Services covered in this booklet are available to SECU members only except where stated otherwise (Deferred Compensation Transfer Benefit).
State Employees’ Credit Union is proud to present your Guide to Financial Wellness. Before you get started, let’s test your knowledge to help you gauge which areas may need a bit of work. This guide is designed to help you become knowledgeable of your basic fiscal needs and can help to ensure your financial wellness! Now… let’s get started!

Choose the best answer for the following multiple choice questions:

1. SECU has branch employees who can assist you with which of the following?
   a) Creating a Spending Plan
   b) Insurance, Investment and Retirement Planning
   c) Education Planning
   d) Income Tax Preparation and Estate Planning
   e) All of the above

2. SECU offers which of the following accounts to assist you with saving money?
   a) Share Account
   b) Money Market Account
   c) Share Term Certificate
   d) Individual Retirement Account (IRA)
   e) All of the above

3. Which of the following are key components of a spending plan?
   a) Savings Account and Credit Card
   b) Income and Expenses
   c) Assets and Liabilities
   d) All of the above
   e) None of the above

4. How much money should I save for my emergency account?
   a) 1 week’s expenses
   b) 1 month’s expenses
   c) At least 3 month’s expenses
   d) 12 month’s expenses

5. Which of the following insurance products are offered at SECU?
   a) Auto, Home and other Personal Lines Insurance (Renters, Flood, Umbrella Liability)
   b) Health and Dental Insurance
   c) Whole and Term Life Insurance and Single Premium Deferred and Immediate Fixed Annuities
   d) Medicare Advantage and Medicare Supplement Insurance
   e) All of the above
6. Which of the following are true regarding saving for retirement?
   a) I have no need to save for retirement because I will have income from my pension and Social Security.
   b) I’m too young to think about retirement now – I’ll save later.
   c) I may need to depend on personal savings for some of my income when I retire.
   d) None of the above

7. SECU offers which of the following Tax Preparation Services?
   a) Volunteer Income Tax Assistance
   b) Low-Cost Tax Preparation
   c) TurboTax®
   d) All of the above
   e) None of the above

8. Which of the following statements are true about estate planning?
   a) Estate planning involves making decisions that will ensure your family is taken care of after your death.
   b) Because an estate plan involves more than distributing assets upon your death, everyone needs one.
   c) You can speak with a trust representative at SECU regarding wills, trusts and Advance Health Care Directives.
   d) All of the above
   e) None of the above

9. True or False You need to start saving for your children’s college education as early as possible but only after you have an emergency account, life insurance and retirement savings underway.

10. True or False With a will you can control a) who receives your property after your death and b) name the person who will manage your estate.

11. True or False SECU members can create their own financial plan through the Financial Assessment tool available through Member Access at www.ncsecu.org or at your local branch.

Key: 1. e; 2. e; 3. b; 4. c; 5. e; 6. c; 7. d; 8. d; 9. d; 10. T; 11. T

Got all eleven correct? You’re doing great! Missed one or more? You might want to review this booklet.
Introduction to Financial Planning

Why do I need a financial plan?

For a financially secure future! Are you on track to enjoy a comfortable retirement? Will you be able to help your children pay for college? Do you have excessive debt and are not sure how to reduce your debt? Developing a financial plan and sticking to it can have a huge impact on the quality of life for you and your family.

Branch employees assist members in maximizing their financial resources in order to meet their goals in one or more of the following areas:

- Creating a Spending Plan
- Insurance Planning
- Investments
- Retirement Planning
- Education Planning
- Income Tax
- Estate Planning

Let’s see which services at State Employees’ Credit Union can assist you in putting your financial plan in motion!
Financial Assessment

SECU members can create their own financial plan with the Financial Assessment tool available through Member Access at www.ncsecu.org or at the branch with the assistance of a Financial Services Officer.

With the online Financial Assessment tool, members can perform or develop the following:

- **General Financial Assessment**
  - Net Worth
  - Cash Flow
  - Adequacy of emergency fund

- **Life Insurance Needs Analysis**

- **Retirement Assessment**
  - Pre-retirement assessment – helps determine if enough is being saved based on desired retirement income minus expected pension and Social Security payments.
  - Post-retirement assessment – gauges the probability of personal savings lasting until the life expectancy age based on the desired annual withdrawal amount. If the desired withdrawal amount is too high, the assessment provides a recommended annual withdrawal amount to increase the probability that savings will last until the life expectancy age.

- **Educational Assessment**
  Helps determine if enough is being saved to meet educational savings goal.

- **Spending Plan**
  Assists members with monitoring their fixed and variable expenses, as well as their discretionary spending.

Not sure what some of these items are? Read on for more information. SECU has also included some worksheets to help you.
Spending Plans: Beyond Budgeting

What's the difference between traditional budgets and spending plans?

Traditional budgets are different from spending plans. Traditional budgeting is based on deciding which expenses you must do without. Spending plans allow you to allocate funds to those expenses that are most important to you and your family.

As you establish a spending plan you will notice that it provides a clear depiction of your spending habits. It also provides a way for you to save for your financial goals. Financial goals are accomplishments you would like to achieve, such as establishing an emergency account, taking a vacation, retiring or paying off a debt. It is a good practice to establish an emergency account of 3-6 months of expenses before saving for other goals. Emergency account funds are typically used for unexpected or unplanned circumstances.

When you have determined your financial goals, write them in the table below then assign a dollar amount and date to accomplish them. Take a moment to complete the table below.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Amount</th>
<th>Date to Accomplish</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
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<tr>
<td>2.</td>
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<td>3.</td>
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<tr>
<td>4.</td>
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</tbody>
</table>

Now that you have written down your financial goals you can begin to establish your spending plan.

Your four steps to a spending plan include:
1. Determine Your Income
2. Calculate Your Expenses
3. Compare Your Income and Expenses
4. Modify and Review Your Plan
Step 1: Determine Your Income

Since most spending plans are developed on a monthly basis, you will need to review your monthly net income, which is your income after taxes; otherwise known as your “take-home pay.” When determining your income be sure to include other sources such as alimony, child support, income from a spouse/second job, etc. Complete the table below using your net income (and spouse’s net income if applicable). Once you have determined your monthly net income you can continue to the next step and calculate your expenses.

<table>
<thead>
<tr>
<th>Income</th>
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</thead>
<tbody>
<tr>
<td>Salary</td>
<td></td>
</tr>
<tr>
<td>Spouse’s Salary</td>
<td></td>
</tr>
<tr>
<td>Total Income</td>
<td></td>
</tr>
</tbody>
</table>

Step 2: Calculate Your Expenses

Expenses include goods and services that deduct money from your total income. There are two types of expenses: essential and discretionary. Essential expenses are those necessary to sustain your current standard of living. Essential expenses include insurance, housing, retirement savings, food and medical care. Discretionary expenses are those that can be trimmed from a spending plan and are not necessary. Discretionary expenses include cable TV, a vacation, dining out, etc.

Do you know how much money you spend in a day? How about in a week? If your answer is no, this exercise is for you. Your challenge: For one week, write down everything you spend money on – as you spend it. At the end of the week review your purchases. Did you spend responsibly? By understanding your spending habits you can reallocate money to your financial goals and take control of your spending.

One question – did you pay yourself first? An expense that should always be included in your spending plan is a savings expense otherwise known as “Pay Yourself First” (PYF). Allot a portion of your net income to your savings account before distributing to other expenses. By doing so, you are saving for your financial goals before that money is spent elsewhere. Always keep in mind – you are your most important expense.
To calculate your current expenses (essential and discretionary), begin by reviewing your monthly statement(s) from your financial institution(s) and noticing the items deducted from your checking account. This is a great place to start because it will give you a general overview of the things commonly deducted from your account.

It’s a good practice to record your expenses using financial software, a spreadsheet or simple pen and paper. If you decide to record your expenses the traditional way (pen and paper) your expenses section might look similar to the table listed below. Complete the table below for next month using the estimated column. Note: There may be several expenses that don’t apply. In this case, simply write a zero in the estimate column. Use the “other” section to add expenses not listed in the table. The italicized expenses* represent “Pay Yourself First” expenses.

<table>
<thead>
<tr>
<th>Expense</th>
<th>Estimated</th>
<th>Actual</th>
</tr>
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<tbody>
<tr>
<td>Insurance Premiums</td>
<td></td>
<td></td>
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<tr>
<td>Home Expense</td>
<td></td>
<td></td>
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<tr>
<td><em>Retirement Savings Contribution</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Savings Account*</td>
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</tr>
<tr>
<td>Property Taxes</td>
<td></td>
<td></td>
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<tr>
<td>Transportation Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Expense</td>
<td></td>
<td></td>
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<tr>
<td>Medical Costs</td>
<td></td>
<td></td>
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<tr>
<td>Clothing Expense</td>
<td></td>
<td></td>
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<tr>
<td>Childcare Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan and Credit Card Payments</td>
<td></td>
<td></td>
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<tr>
<td>Utilities Expense</td>
<td></td>
<td></td>
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<tr>
<td>Communication Expense</td>
<td></td>
<td></td>
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<tr>
<td>Charity/Gifts</td>
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<tr>
<td>Education Savings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertainment Expense</td>
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<tr>
<td>Vacation Expense</td>
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<tr>
<td>Other</td>
<td></td>
<td></td>
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<tr>
<td>Other</td>
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</tbody>
</table>

Estimated and actual expense columns are included because many expenses vary from month to month, such as transportation and food expenses. However, you will also have some expenses that remain the same each month such as your mortgage/rent payment.
Spending Plan Guidelines – How does your spending stack up?
The chart below represents the suggested allocations for your spending plan.

Debt: Allocate 15% or less of your net income to debt (personal loans, credit cards, medical debt).

Housing: Allocate 35% or less of your net income to housing expenses (mortgage/rent, utilities, insurance, taxes, home maintenance).

Savings: Save 10% or more of your net income to allocate to an emergency account or other savings account.

Transportation: Allocate 15% or less of your net income to transportation expenses (car payments, auto insurance, tag or license, maintenance, gas, parking).

Other: Allocate 25% or less of your net income to all other expenses (food, clothing, entertainment, childcare).
**Step 3: Compare Your Income and Expenses**

After you have determined your expenses, compare them to your income. You should have one of three results.

1. **If your income equals your expenses**, you are right on target – good job. This is the ideal result of your spending plan. In this scenario you are allocating funds to your savings account and contributing to your retirement account without going into debt.

2. **If your income is greater than your expenses**, you need to re-evaluate your spending plan. Ideally, you should allocate more funds to your retirement savings contribution or your emergency account.

3. **If your expenses exceed your income**, you will need to evaluate your spending plan. In this scenario you are currently spending more than you make. This can be troubling and might result in accumulation of debt. Review your discretionary expenses and determine which categories you can decrease.

**Step 4: Modify and Review Your Plan**

You should always modify and review your plan regularly. Adjust your spending plan to reflect your current lifestyle. If you receive a pay increase, allocate those funds to your savings account or increase your retirement savings contribution.

Spending plans can provide a way to track your spending and save for your financial goals. They require a little time and dedication but the end result is worth the effort. If you stay on track and review your spending plan, you will minimize your debt and save for those items that matter most to you and your family.

**How can State Employees’ Credit Union (SECU) help you save?**

SECU offers a variety of accounts that can help you save for your financial goals. Our savings accounts include Money Market Share Account, Share Account, Share Term Certificates, and Roth and Traditional Individual Retirement Accounts. To make “Paying Yourself First” easier you can set up funds transfers or payroll deductions that will automatically transfer funds to your savings account as soon as you get paid!
Insurance

As part of a sound financial plan, you should adequately address any insurance needs which may exist. Many different insurance products are available that you may want to consider. SECU offers Auto, Home, Other Personal Lines, Term and Whole Life Insurance, Deferred and Immediate Fixed Annuities, Health and Dental Insurance, Medicare Supplement Plans and Medicare Advantage Plans to help meet your needs.

Auto/Home

The primary purpose of property and liability insurance is to minimize exposure to catastrophic losses. Maintaining adequate limits of coverage is essential to achieving this objective. The reality for many is a tendency to be underinsured. This could potentially lead to some unintended financial consequences.

With automobile insurance, many insureds carry only the minimum required limits of liability. Once these limits are exhausted in an at-fault claim situation, one’s personal assets could be exposed to risk. Carrying higher liability limits reduces this risk exposure. Furthermore, assuming that many others are only carrying minimum liability limits (and some have no coverage at all), it would be wise to also carry higher coverage limits for Uninsured/Underinsured Motorists for protection from the fault of others having inadequate coverage limits.

As with auto insurance, you should consider a higher liability limit with homeowners insurance. This also increases the protection of personal assets. Additionally, it is important to have sufficient limits of property coverage to replace your Dwelling and Personal Property in the event of a loss. Preparing and maintaining a current inventory of possessions in your home can make the process of filing an insurance claim much more orderly and far less stressful should a loss occur. It’s also a good risk management practice.

Insurance policy deductibles are a form of self-insurance. The deductible amount selected is the portion of a loss assumed by the insured which is subtracted from the claim settlement paid by the insurance company. The selection of an appropriate level of deductible is a personal choice for each insured. An incentive for higher deductibles (and fewer claims) is a lower premium.
Other Personal Lines

Beyond the auto/homeowners group of policies are other forms of personal lines insurance. Some of the more common personal lines products include:

- **Renters** – This insurance is for tenants who are renting their place of residence. Coverage provides liability and personal property content protection.
- **Flood** – This insurance is for anyone, but particularly for those who live in or near a flood hazard area, such as a beach or river. Flood insurance is not included in a homeowners or renters insurance policy and must be purchased separately.
- **Wind and Hail** – This insurance is available to homeowners whose policy does not already include it, which is common for coastal properties.
- **Boats and Watercraft** - This insurance provides physical damage and liability coverage for boats or personal watercraft. Additional coverage is available to cover trailers and motors.
- **Motorcycle** – This insurance provides physical damage and liability coverage for motorcycles. Additional coverage is available to cover customized equipment.
- **Umbrella Liability** – This insurance helps protect one’s assets in the event of a lawsuit for liability cases involving accidents on their property, severe auto accidents, etc. when damages exceed the underlying liability limits of an auto or homeowners policy. If you are sued and found liable for damages exceeding your policy liability coverage, liens or judgments can be placed on personal assets, such as your home and current and future earnings.

Below is an example of how an umbrella liability policy works:

You collide with a motorcyclist and the motorcyclist is paralyzed. Medical expenses for the motorcyclist are $750,000; however, you only have $250,000 of liability coverage on your auto policy. An umbrella liability policy could pay the $500,000 not covered by your auto liability insurance.

A periodic review of insurance coverage limits is recommended to assure that adequate levels of protection are in place. SECU insurance representatives in your local branch or in SECU Insurance Services can assist you with coverage options that fit your needs.
**Life Insurance**

Many people buy life insurance to ensure their family’s future needs will be met. In case of death, loved ones can use the proceeds of the policy to:

- Replace lost income
- Cover funeral and final expenses
- Fund the education of children
- Pay down mortgage and other debts

Employers often provide optional life insurance at very reasonable group rates. Take advantage of the full protection offered if the product is priced competitively. Having additional life insurance outside the workplace is a good practice because the maximum death benefit under an employer-based plan is likely limited and may leave employees underinsured. Also, employees who terminate employment may be left with no coverage at all since many employer plans stop upon termination of employment.

There are many forms of life insurance in the marketplace, such as whole life, universal life, and term life insurance. Whole life insurance offers coverage for the insured’s lifetime as long as premiums are paid. Universal life insurance, which is a variation of whole life, offers flexible premiums and death benefits with certain limitations, and the policy term can extend for the lifetime of the insured. Term life insurance provides pure insurance protection, is simple, affordable, and provides more coverage for the premium dollar than other insurance products such as whole life or universal life. Term life insurance has only one purpose: to pay a specific amount (the death benefit) to your chosen beneficiary if the insured dies during the policy term. Premiums for whole or universal life are usually higher than term life premiums since both policies accrue cash value. Cash values can be used to pay past due premiums, as a direct loan to the insured, or the insured can cash in the policy to collect the accumulated cash value.

SECU offers level-premium term life and whole life coverage, where the premium amount is fixed and will not change for the length of the term. Premiums may be paid monthly or annually.

Typically, life insurance is both age and health-based. As you get older, the cost to obtain life insurance protection can become more expensive. Should adverse medical conditions arise, life insurance will be more expensive, or even impossible to obtain. It is wise to purchase adequate coverage for both current and anticipated needs at an early age.
How much life insurance coverage should you consider? The following worksheet should help:

1. **Determine cash needs:**
   a. Emergency Fund (typically 3 – 6 months of income) $______________
   b. Personal/Mortgage Debt $______________
   c. College Fund $______________
   d. Childcare Expenses or other Dependent Care costs $______________
   e. Final Expenses (burial, medical bills, administrative expenses) $______________
   **Total cash needs at death (sum of 1a thru 1e):** $______________ (1)

2. **Estimated Annual Income Needed by your Survivor** $______________ (2)

   Exclude any debts to be paid off which are listed in #1. This figure should be less than current income because of one less consumer in the household. (Rule of thumb is 60 – 80% of current income.)

3. **Survivor’s Annual Income from Other Sources**
   a. Surviving Spouse Employment Income $______________
   b. Survivor’s Pension $______________
   c. Other $______________
   **Total annual income from other sources (sum 3a thru 3c):** $______________ (3)

4. **Adjusted Annual Income Needed** (line 2 minus line 3) $______________ (4)

5. **Number of years Survivor will need additional income** $______________ (5)

6. **Amount of Insurance needed to offset income shortage** (line 4 x line 5) $______________ (6)

7. **Total Funds needed at death** (add line 1 and line 6) $______________ (7)

8. **Death Benefit of Existing Life Insurance** $______________ (8)

9. **TOTAL ADDITIONAL INSURANCE NEED** (line 7 minus line 8) $______________ (9)

SECU insurance representatives in your local branch or SECU Member Insurance Services can help you assess your life insurance needs and apply for coverage.
**Annuities**

An annuity is a contract offered by insurance companies that can help meet retirement or other long-term goals. When used within a financial plan, an annuity may supplement retirement savings or provide an additional source of retirement income.

There are two basic types of annuities: deferred and immediate.

Deferred annuities are savings options that allow for either a single deposit (single premium) or a series of deposits (flexible premium) that can be accumulated and withdrawn in the future in a lump sum or over time. One of the main benefits of a deferred annuity is the tax-deferral of earnings within the contract\(^1\). Deferred annuities are often used as additional tax deferred retirement savings options when all other retirement contributions have been maximized. Because a deferred annuity is a long-term savings plan, it often has surrender charges (penalties) for withdrawals made within the first several years.

Immediate annuities provide a stream of income for either a fixed number of years (period certain) or over one’s lifetime (and if chosen, the lifetime of a survivor) in exchange for a single lump sum payment. As a part of a diversified retirement plan, immediate annuities can provide the income needed to cover household retirement expenses and help ensure that you don’t outlive the assets you have worked a lifetime to accumulate.

Deferred and immediate annuities can either be fixed, indexed or variable. A fixed annuity provides a specific interest rate for earnings. Like a fixed annuity, an indexed annuity will have a stated interest rate component, but also has the potential for higher earnings based on the returns of an underlying market index such as the S&P 500\(^\circ\). A variable annuity’s rate of return is tied to an investment portfolio (usually mutual funds). Because the funds are held within an investment portfolio, the annuity’s value may fluctuate and loss of principal is possible.

SECU insurance representatives in your local branch or SECU Member Insurance Services can help you determine if a deferred or immediate annuity may be right for you.

\(^1\)The IRS may assess a 10% penalty on the earnings if withdrawals are made prior to age 59 ½.

**Health Insurance**

In accordance with the Affordable Care Act, beginning in 2014, most individuals are required to maintain health insurance coverage. Fortunately, the North Carolina State Health Plan insures a large percentage of SECU’s membership. For members who are uninsured and need to get replacement coverage, SECU offers individual health insurance products. The plans are easy to compare using metallic levels that have been established to indicate the value of coverage in a plan (bronze, silver, gold, platinum). These plans have different deductibles, copayments and coinsurance requirements. Keep in mind that metallic values may not reflect other factors that may be important to you such as the number of doctors or hospitals in the plan network, health and wellness
programs, and requirements for receiving benefits, (i.e. prior approval for certain medical services). Certain plans qualify as High Deductible plans which may offer significant tax advantages when paired with a Health Savings Account. SECU Member Insurance Services can help you assess your needs and apply for coverage.

**Long Term Care Insurance**

A sound financial plan should include consideration of potential long term care needs. The possible need for long term care increases with advancing age, but the need could occur at any age. Long Term Care insurance can provide for care performed in nursing homes, assisted living facilities, adult day care centers, hospice facilities, or even at home which typically is the favored preference for someone receiving care. The cost for receiving long term care can be very expensive and most health insurance plans and Medicare do not cover long term care costs. Possible sources for payment include personal savings and assets, financial assistance from family, Medicaid, or Long Term Care insurance. To qualify for Medicaid, individuals must first “spend down” or reduce their financial resources. Medicaid is a federally and state funded health care program that pays for medical care to eligible individuals and families with low incomes or resources.

Applications for coverage are individually underwritten with age and health considerations being important factors used for rate determinations and approval decisions. Policy benefits, riders, options, premium rates, and discounts can vary widely among different insurance companies. We recommend you shop around and compare.

**Disability Insurance**

Disability insurance is an important part of any financial plan. A disability insurance policy replaces a percentage of income if you are unable to work due to injury or illness. Conditions under which benefits can be paid, length of benefit, and income replacement percentages vary so be sure you understand the policy terms before you purchase a policy. Premiums for individual policies vary depending on the benefits chosen and are generally higher for policies that offer higher monthly benefits that begin quickly and continue for a longer period of time. Many employers offer some type of short and/or long term group disability plan at favorable rates for their employees.

Auto, homeowners, other personal lines of insurance, immediate annuities, deferred annuities, and term and whole life insurance, are available through your local branch. These products, along with health insurance, are available through SECU Member Insurance Services. SECU insurance representatives are licensed to sell insurance in North Carolina only. You can contact an SECU Insurance representative toll free at 1-888-732-8562 or locally in Raleigh at 919-857-2150 Monday - Friday from 8:00 am to 5:30 pm.
Investment Planning

What is the difference between saving and investing?

Both involve setting aside income for the future. You are “saving” when you deposit money in a federally-insured account, such as a savings account at a credit union. You are investing when you buy stocks, bonds, mutual funds, and other uninsured assets.

When you save, you’re preserving your money for a later time. Save for short-term needs and for emergency expenses. When you invest, you’re taking some risk that you believe will make it possible for your investment to grow in value over time. Invest for long-term goals.

Liquid assets can be easily converted to cash at little or no loss of value. Savings are liquid. You can withdraw cash with little or no loss of value any time you need the money. Investments such as stocks, bonds, and mutual funds can be sold for cash, but may have decreased in value, either from a previous price or since you bought them. If you sell when the price is down, you may lose some principal.

What would you do?

Suppose you are 30 years old, have $10,000 in high interest rate-credit card debt and no cash set aside for emergencies. You inherit $20,000. What would (should) you do with this money?

1. Buy a new car
2. Pay off the credit card debt and save the rest for emergencies
3. Invest it all in stocks
4. Use it as a down payment to buy a house

For this scenario, the best answer is #2: Pay off the credit card debt and save the rest. Paying down debt and having an emergency fund are usually top priorities. However, your options may be different than the choices given. For example, if you don’t have a car, you might use some of the funds to buy a used vehicle. Investing it all in stock would not be wise, but you may want to use $5,000 to invest in mutual funds within a Roth IRA to get started with saving for retirement. While owning a home is a worthy goal, other issues probably should be addressed first.
Here are some questions you may be asking:

**My spouse and I have a young child. Should we start investing for her college education now?**

Some other priorities may need to be covered first. If you already have an adequate emergency fund, you should next look into buying sufficient term life insurance. Should you or your spouse die, term life insurance can protect you from a loss of income and could cover your child’s educational costs.

**I have an emergency fund and life insurance. Now should I invest for my child’s education?**

You may need to cover one more “base” first — preparing for your retirement. Many parents want to pay for part or all of their child’s education. Keep in mind, though, that financial aid is available to college students but not to retirees. Invest for retirement first and start early.

As a State employee, you have several tax-advantaged retirement accounts available to you. Check out the NC 401(k) and the NC 457. A Roth IRA is also a very good choice.

**How should I choose where to invest?**

You should take into consideration your goals (retirement, education, etc.) and your time horizon (the length of time until you will use the funds). If you will need to use all of your invested funds within the next five years, you should save rather than invest.

You should also determine how much tolerance you have for market risk. The value of your investments will go up and down. Will you be able to stay invested during down markets?

Risk and return are directly related. An investment that has a greater risk of loss also has a greater potential return. An investment that has a smaller risk of loss also has a smaller potential return. Let’s look at possible investments and how much market risk they have.

- **Stocks:** When you buy a company’s stock you are a part-owner and expect to participate in the company’s growth and perhaps be paid a dividend (high market risk)

- **Bonds:** When you buy a bond, you are lending money to the company or government that issued the bond in return for interest payments and a return of principal at maturity (moderate market risk)

- **Short-term:** Cash, US Treasury bills, money market accounts, etc. (low/no market risk)

  *While insured funds in deposit accounts have no market risk, they do have risk of another type. The return on these funds may be too low to keep up with inflation.*
When you invest you should “diversify.” For instance, instead of buying stock in just a few companies, buy stock in many companies. Instead of buying only stocks, also buy bonds. The easiest way to diversify is to buy mutual funds. A mutual fund pools money from many investors and uses the money to purchase securities such as stocks and bonds.

**Does SECU offer investments to members?**

As a credit union, SECU cannot offer investments directly, but SECU is the sole owner of Credit Union Investment Services (CUIS), which offers investment services as a North Carolina Registered Investment Advisor. All CUIS investment representatives are also full-time SECU employees who receive a salary from SECU and earn no commissions. Since their income does not depend on whether or not you make an investment, you can trust that they will recommend what’s in your best interest.

You might benefit from investing with CUIS if you have a time horizon of five years or longer and if you have some tolerance for market risk. CUIS investment representatives will help you learn more about investing and will recommend low-cost, well-diversified mutual funds. Other services are also available.

- If you have investments at other financial institutions, bring in your statements. An investment representative will help you determine if you are properly diversified and may be able to determine how much you are paying in fees.
- If you are an experienced investor, you can apply for online trading and select your own investments.
- Want to invest in the NC 529 Plan for your child’s college education, but not sure which investment option to choose? An investment representative will help you decide.

If you’d like to meet with a CUIS investment representative, contact your local SECU branch.

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Investment advisory services offered through Credit Union Investment Services. Securities offered through SECU Brokerage Services. Member FINRA, SIPC. Securities products are not credit union deposits. They are not obligations of or guaranteed by a credit union or its affiliates. They are not insured by the NCUA or any federal government agency. Securities products involve investment risks, including possible loss of principal. Investment representatives are also credit union employees, who may accept deposits.
Retirement Planning

Importance of preparing for retirement

If you are young, retirement may seem too far away to worry about. Don’t believe it — start saving now. Even a little bit can turn into a big amount over time, as you will see in this section.

Sources of retirement income

Retirees may receive income from the following sources:

- **Pensions:** As an employee of the State of North Carolina, you are covered by a defined benefit pension plan. You are required to contribute 6% of your salary, but you are not vested in the plan until you have worked for the State for 5 years. The plan is intended to replace only a portion of your income.

- **Social Security:** Social Security is not intended to be your primary source of retirement income. Further, the projected benefits on your annual social security statement may be too high as changes to the program may be necessary in the future.

- **Personal savings:** 401(k), 457, IRA, Annuity, etc. You will need to depend on your own personal savings for at least a portion of your income during your retirement.

Why is it important to start early?

Look at the table below to see what a difference an extra 10 or 20 years can make. By age 65, assuming a 6% return, workers who start investing $3,000 a year at age 25 will have earned nearly three times as much as the amount they contributed ($344,286 ÷ $120,000 = 2.87). Workers who start at age 45 will have earned less than what they contributed by age 65 ($50,357 ÷ 60,000 = 0.84). If you haven’t started saving, it’s not too late. Get started now, save as much as you can, and increase your savings each year.

<table>
<thead>
<tr>
<th>Start</th>
<th>Age 25</th>
<th>Age 35</th>
<th>Age 45</th>
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<tr>
<td>Total Contributions</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$3,000</td>
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<tr>
<td>X 40 yrs</td>
<td>$120,000</td>
<td>$90,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>Value at age 65 (6% return)</td>
<td>$464,286</td>
<td>$237,175</td>
<td>$110,357</td>
</tr>
<tr>
<td>Earnings</td>
<td>$344,286</td>
<td>$147,175</td>
<td>$ 50,357</td>
</tr>
</tbody>
</table>

Plus, the longer you wait, the more it “costs” to save. To match the $464,286 retirement balance of the 25-year-old in the table above, the worker who waited until 45 to contribute would have to save more, generate a higher return, or retire later:

- Save how much extra each year? ($12,621.40)
- Generate what percent in annual earnings per year? (18.45%) or
- Retire at what age? (85!)
Changing Jobs
If you change employers, what should you not do? Withdraw your retirement savings!

Instead, you could:

- Roll your 401(k) or 457 balance to your new employer’s plan or to an IRA.
- Leave the balance in the current plan.

I am vested in the TSERS defined benefit plan. If I leave employment should I do a rollover?
The answer is generally no. If you take out your balance you will lose a reduced pension that you could take, usually at age 60. You may also be giving up retiree health insurance.

I am Bailey-vested in the NC 401(k). Should I do a rollover?
No. If you make withdrawals from the NC 401(k), you will not have to pay tax to the State of NC because of the Bailey settlement. You may be eligible to roll other retirement assets into your Bailey-vested NC 401(k).

In other circumstances, either choice is fine. You may wish to consider a rollover to consolidate your retirement holdings.

Traditional vs. Roth 401(k)/457
Contributions to the NC 401(k) and the NC 457 default to a “traditional” designation. Both plans also offer you an option to designate all or a portion of your contributions as Roth contributions.

How does a Roth designation differ from a traditional designation?
A traditional designation offers tax savings now. A Roth designation offers tax savings in retirement. Both offer tax-deferred growth of earnings.

With a traditional designation, your contributions are made with before-tax dollars; therefore your taxable income for the year is reduced by the amount you defer into your traditional 401(k) or 457 and you lower your tax liability for the year. “Lower Income equals Lower Taxes.”

With a Roth designation, your contributions are made with after-tax dollars, so your take-home pay will be less than with traditional contributions; however, no tax will be owed when you make withdrawals if you are over 59 ½ and you made your first Roth contribution at least five years ago.

Which designation is better?
The answer depends on several factors. Generally, if you’re in a low tax bracket, a Roth might be better. If you’re in a high tax bracket, a traditional might be a better choice. If you intend to contribute the same amount to a Roth as you would to a traditional, the Roth may be the better option. Your after-tax income during retirement will be larger with a Roth.
Investing your 401(k) or 457 Contributions

It may be beneficial to refer to the section in this booklet titled Investment Planning to learn or review the basics. The NC 401(k) and NC 457 both offer a tool called GoalMaker that can help you choose a good investment mix. You can access GoalMaker at www.NCPlans.prudential.com or call 1-866-NCPlans (1-866-627-5267) to speak with a representative.

NC 401(k)/457 Deferred Compensation Transfer Benefit

Members of the Teachers’ & State Employees’ Retirement System (TSERS) and Local Governmental Employees’ Retirement System (LGERS) are eligible at or after retirement to transfer part or all of their NC 401(k) and/or NC 457 funds to the NC Retirement System to receive an additional monthly benefit. Transfers are a one-time, irrevocable election. The North Carolina Retirement Systems and Prudential Retirement, administrator of the NC 401(k) and NC 457 plans, have partnered with State Employees’ Credit Union to provide you with information on the NC 401(k) and Deferred Compensation Transfer Benefit.

Annuities

If you have maximized contributions to other retirement savings vehicles, but still want to save for retirement, a deferred annuity may be right for you. A deferred annuity provides an additional option for tax-deferred earnings accumulation and the ability to generate a future retirement income stream.

An immediate annuity may be an option for you if you have a need for additional retirement income, have substantial savings balances, and are not eligible for the NC 401(k)/457 Deferred Compensation Transfer Benefit previously discussed.

See below to find out how SECU can help you with your retirement planning.

How can SECU help with my Retirement Planning?

SECU employees can help members with retirement planning in several ways. The Pre-retirement and Post-retirement Assessments mentioned below are part of the Financial Assessment tool which was discussed in the opening section of this booklet.

1. SECU can help determine if you’re saving enough by completing a Pre-retirement Assessment or reviewing one you already completed through SECU’s Member Access.

2. SECU can help retirees determine if their savings will last by completing or reviewing a Post-retirement Assessment.

3. SECU offers two kinds of traditional and Roth IRAs to members:
   - Deposit account with a variable interest rate; NCUA insured
   - Investment account through Credit Union Investment Services
4. The Credit Union can assist State employees with basic questions about the Teachers’ and State Employees’ Retirement System defined benefit plan. For instance, did you know that if you name only one beneficiary, your beneficiary may be able to select the Survivors’ Alternate Benefit if you die while still working for the State? If you have 20+ years of service at any age or 5+ years of service at age 60, your beneficiary can choose to receive your retirement benefit (100% joint and survivor, adjusted for his/her age) for life. If you name more than one beneficiary, they will receive only the funds you contributed plus interest.

5. SECU is developing expertise on Social Security. Have a general question? If we don’t know the answer, we’ll contact Social Security to get the answer.

6. SECU employees are ready to advise you on whether the NC 401(k)/457 Transfer Benefit is right for you. This service is free of charge, and you do not have to be a Credit Union member. Call SECU at 1-888-732-8562 to speak with an experienced Contact Center employee, or visit the NC 401(k)/457 Plan Transfer Benefit website at www.nclifetimeincome.org.

7. An SECU Insurance Representative can discuss the benefits of deferred and immediate annuities and help you determine if either is right for you.

For questions about your specific circumstances under TSERS or Social Security, you should contact the Retirement System or Social Security directly as follows:

**Teachers’ and State Employees’ Retirement System**
www.nctreasurer.com  (then click on the Retirement & Savings Tab)
Active Employees Call: 1-877-627-3287 or 919-807-3050 (Raleigh area only)
Benefit Recipients (retirees, beneficiaries, etc.) Call: 1-877-733-4191

**Social Security Administration**
www.ssa.gov
Contact your local Social Security office to speak with a representative.

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Education Planning

Planning for College

The best time to begin planning for your children’s higher education is when they are born. As long as you have your own emergency fund, life insurance, and retirement savings underway, then start saving for your children’s future higher educational expenses, too. The earlier you start, the more time your college savings will have to grow.

Most of the information in this section is from the free and comprehensive college access information available on College Foundation of North Carolina’s website: CFNC.org. Check out this valuable site for more help to plan, apply, and pay for college.

Saving for College: NC 529 Plan

Be sure to check into North Carolina’s 529 Plan, a tax-advantaged education savings plan designed to help families set aside funds for future college costs.

Earnings in the NC 529 Plan grow free from federal and NC income taxes, and are not taxed upon withdrawal, as long as the money is used to pay for your child’s qualified higher education expenses.

The minimum initial contribution as well as any subsequent contribution is just $25. See the last section of “Education Planning” to see how SECU can help you set up your account in the NC 529 Plan.

College Preparation Timeline

If your child is in middle or high school, the college planning timeline at CFNC.org gives tips on preparing for college. Working hard in school is certainly critical. In addition, students should make sure they take the appropriate preparatory coursework, learn about careers, engage in extracurricular activities, prepare for and take standardized tests (SAT, ACT, etc.), research colleges, and more. CFNC.org tools and resources help students, parents, and even guidance counselors make sure students are ready for college and career.

The process of researching and applying for college can be easier and less time-consuming with CFNC.org. Students can find detailed information such as the programs, admissions criteria, and cost for over 110 NC colleges, universities, and community colleges.
Financial Aid

North Carolina and the federal government offer millions in grants and scholarships (money that generally does not need to be paid back) each year to help students pay for college. For most state and federal programs, all students need to do to be considered is to complete the Free Application for Federal Student Aid (FAFSA). The Credit Union helps college-bound students complete their FAFSA form to apply for financial aid. Generally, the FAFSA and other college financial aid applications should be completed and submitted between January 1st and early March, but students should check with the financial aid offices of the campuses they’re considering to determine if there is a priority deadline.

Students should check with the financial aid office of schools they are applying to for more specific information on institutional scholarships and costs for tuition, fees, room and board, and any additional financial aid information needed. The Financial Aid Estimator at http://www.cfnc.org/paying/tools/info_tools.jsp is also a helpful tool to find the state and federal grants, scholarships and loans for which you may qualify at particular North Carolina schools.

How can SECU help with education planning?

SECU offers an Education Assessment tool that can be completed through SECU’s Member Access or at your local branch. This tool will help you determine the cost of specific colleges nationwide and whether or not you are saving enough to cover that cost.

Visit your local SECU branch for assistance with opening an NC 529 account online. If you need assistance in choosing your investment option(s), a Credit Union Investment Services (CUIS) representative can assist you. CUIS investment representatives are also full-time employees of SECU, which means they are working for you.

Some SECU branch personnel will also assist students with filling out college applications during College Application Week at participating area high schools. SECU branch personnel statewide actively participate in FAFSA Day as well.

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Income Tax Return Preparation

Who needs to file a tax return?

An important part of your financial wellness is submitting an accurate and timely filed income tax return. Once your income reaches a certain threshold, you have to file a federal income tax return. The income thresholds depend on your age and filing status (single, married, widowed, or head of household) and are subject to change annually. To view the current income thresholds and determine if you have a filing requirement, visit the IRS website at www.irs.gov.

Even if you aren’t required to file a tax return this year, it may be to your benefit to do so. If you had federal taxes withheld from your paycheck or are eligible for certain tax credits, filing a return may allow you to collect a tax refund.

It is also important to remember that North Carolina may require a separate income tax return. The NC filing requirements are different from the federal filing requirements and can be found at www.dornc.com.

Are you leaving money on the table?

Depending on your overall financial picture, filing a tax return can help you gain access to various tax credits that you can use to improve your financial situation. One such tax benefit is the Earned Income Tax Credit (EITC). This credit is designed to supplement the wages of low to moderate income working individuals and families. A tax credit usually means more money in your pocket, as it can reduce the amount of tax you owe. The EITC can even produce a tax refund for eligible filers who have no tax liability. That is why it is important to determine if you would benefit by filing a tax return, even if you are not required to do so.

The average EITC refund in North Carolina is approximately $2,450. Unfortunately, about 23% of eligible North Carolinians are leaving this money on the table each year by not claiming the EITC. Many of these taxpayers fail to claim the credit because they do not know they are eligible. Consult a qualified tax preparer or visit the IRS website to help determine if you qualify for the EITC. For the 2014 tax year, the income limits and credit maximums are:

Earned income and adjusted gross income (AGI) must be less than:
- $46,997 ($52,427 married filing jointly) with three or more qualifying children
- $43,756 ($49,186 married filing jointly) with two qualifying children
- $35,511 ($43,941 married filing jointly) with one qualifying child
- $14,590 ($20,020 married filing jointly) with no qualifying children

Maximum credit amount:
- $6,143 with three or more qualifying children
- $5,460 with two qualifying children
- $3,305 with one qualifying child
- $496 with no qualifying children
Our current tax system provides for a number of other tax credits too. If you meet the qualifications, you may be able to claim various credits such as:

- **The Child and Dependent Care Credit** – You may be able to claim this credit if you pay someone to care for your dependent who is under age 13 or for your spouse or dependent who is mentally or physically unable to care for himself or herself. The credit can be up to 35% of your eligible expenses. To qualify, you must pay these expenses so you can work or look for work.

- **The Child Tax Credit** – This credit is for people who have a qualifying child under the age of 17.

- **The Retirement Savings Contribution Credit** – This credit is designed to encourage people whose income is below certain limits to make voluntary contributions to a qualified retirement plan.

These are just a few examples of the many available credits. Each of these credits can make a significant impact on your financial wellness. Can SECU assist in your tax preparation? The answer may be yes!

SECU offers three options in all SECU branch locations to help you file your tax return:

**Volunteer Income Tax Assistance (VITA)** – SECU has partnered with the IRS to offer free tax preparation for qualified members through the VITA program. VITA is a free, IRS sponsored program designed to help taxpayers complete and electronically file basic tax returns. To qualify, you must have a household income of $53,000 or less (subject to change annually) and meet a few other program requirements. Contact your local branch and ask to speak with an SECU tax preparer for more details.

**Low Cost Tax Preparation** – This low cost alternative for basic tax preparation is available for members who would generally qualify for VITA if not for the $53,000 income limit. If you meet program requirements, SECU tax preparers can complete your tax return for the low cost of $75. Contact your local branch and ask to speak with an SECU tax preparer for more details.

**TurboTax®** – If you are comfortable preparing your own return, SECU can help with that too. TurboTax, available through SECU’s website www.ncsecu.org, is a user friendly, self-service option that you can use to prepare your own return. Members who access TurboTax through the SECU website will receive a discount on TurboTax programs (unless you qualify for free TurboTax service). Visit our website for more information.

*SECU’s fee-based tax preparation service is NOT associated with the IRS VITA program.*
Estate Planning

What is estate planning?

Estate planning involves making decisions that will ensure your family is taken care of even after your incapacity or death. Estate planning can address the following issues:

• Distribution of specific assets (your home, furniture and other tangible personal property, financial accounts, investments, retirement accounts, life insurance, etc.) upon your death
• Designating to whom you leave your retirement accounts and/or life insurance upon your death and making sure this corresponds with your overall estate plan
• Designating a guardian for your minor children, in the event that something happens to you before they reach the age of majority
• Making provisions for a trust for minor children, to prevent funds from being distributed as a lump sum at age 18
• Establishing and funding a trust for heirs with special needs
• Planning for blended families, including children from a prior relationship
• Establishing a trust for heirs who may not be financially responsible
• Naming a corporate trustee to manage and administer your trust in the best interest of your heirs
• Designating someone to make financial decisions on your behalf if you become unable to handle your own affairs
• Designating someone to make personal and health care decisions on your behalf if you become unable to make these decisions for yourself
• Express your desires regarding measures to prolong your life, in the event that you become terminally ill and are unable to make those decisions for yourself

How do I know if I need estate planning?

You may think that the need for estate planning is limited to extremely wealthy individuals, but it can actually be just as important for hardworking State employees who have worked to save for a specific goal or life event, even if they are not considered “rich.” You may have a need for estate planning in order to conserve the assets you have worked so hard to accumulate. Because an estate plan involves more than distributing assets upon your death, everyone needs an estate plan.
When should I have an estate plan?

In North Carolina, anyone who is 18 years old and of sound mind may sign a will, trust, Power of Attorney, or Advance Health Care Directives such as a Health Care Power of Attorney or Living Will. You should get these documents if you would like to address any of the following:

- Who receives your property after your death
- Who will be responsible for distributing your property after your death, and managing your estate
- Who will be responsible for caring for your minor children
- Who will manage your financial affairs in the event that you are unable to do so
- Who will make health care decisions on your behalf if you cannot
- How or when your property is distributed to your heirs after your death
- Contingencies, such as who will receive your property in the event of a common accident resulting in simultaneous deaths of you and any of your heirs

What is a Durable Power of Attorney (POA)?

A Power of Attorney is a legal document that allows you to appoint someone you trust completely to act on your behalf with respect to financial and legal matters. With a Power of Attorney, you appoint someone known as an agent or attorney-in-fact.

When is the Power of Attorney (POA) effective?

You can choose to make the Power of Attorney effective immediately or only upon the occurrence of some future event (such as your incapacity or a specific date).

Do I need a Power of Attorney?

If you know that you have a condition or circumstance where you may not be able to act for yourself in the future, you may want to create a Power of Attorney. If you were to suddenly become incapacitated and you did not have a Power of Attorney, the courts would have to appoint a guardian to act on your behalf. It may not be the person you would have chosen. Accountings would have to be filed with the courts as well, which would allow your assets to become a matter of public record. There would also be a delay in the management of your financial affairs until the guardian could be appointed.

Do I need an attorney to create a Power of Attorney?

SECU recommends that you consult an attorney in creating a Power of Attorney document. There are self-service templates that will allow you to make your own Power of Attorney document; however, we recommend consulting an attorney to obtain legal advice about your individual situation to avoid making an unforeseen mistake. An attorney can assist in creating a document that is specific to your needs.
What is an Advance Health Care Directive (AHCD)?

An Advance Health Care Directive is a document that lets you specify medical care in advance. Typically, these documents include a Health Care Power of Attorney and a Living Will.

Have you thought about what kind of health care you would want at the end of life? Would you want your family to use life-sustaining procedures such as life support or artificial nutrition and hydration if you are terminally ill or if you are in a persistent vegetative state? Would you want your loved ones agonizing over making life and death decisions for you during a time of emotional turmoil? By preparing an Advance Health Care Directive, you can make your own legally binding decisions.

• A Health Care Power of Attorney allows you to name someone as your agent who is authorized to make medical decisions for you if you are unable to speak for yourself. You can include special provisions or specific limitations about any medical treatment.

• A Living Will (or Declaration of a Desire for a Natural Death) allows you to specify what type of life-sustaining medical treatment you receive when there is no hope of your recovery.

How do I set up an Advance Health Care Directive (AHCD)?

To set up an Advance Health Care Directive, NC residents can download and complete the forms available at the NC Secretary of State’s AHCD Registry site – http://www.secretary.state.nc.us/ahcdr – then click on Forms. The documents should be signed, dated, notarized, and witnessed by two people who are not related to you, not your heirs, and not your health care providers. You must be at least 18 and of sound mind. You may change or revoke Advance Health Care Directives at any time by a written and notarized revocation form. An attorney is not required to set up an Advance Health Care Directive; however, you may wish to consult an attorney if you have a potential family conflict or specific legal concern.

What should I do with my Advance Health Care Directives?

You should give a copy to your primary physician, your attorney, your Health Care agent (the person named in your Health Care Power of Attorney), and/or a trusted relative. You may also elect to file it with the Advance Health Care Directive Registry maintained by the NC Secretary of State’s Office for $10 per document at www.nclifelinks.org. By filing your documents, they will be accessible via the internet with your username and password.
Do I need a will?

You should have a will so you can control who receives your property after your death and name the person who will manage your estate. The person named in your will is known as your Executor, but could also be a corporate Executor, if you do not have anyone that you would feel comfortable naming in this role. Having a will in place can make the estate settlement process much easier for your family and/or heirs. A will can also specify who will become the guardian of your minor children. Your will can create a trust for the management of the money you leave to provide for your minor children.

What happens if I die without a will?

In NC, if you die without a will, State law will control who receives your property as follows:

• If you are married with children, your property will be divided between your spouse and children.
• If you are married with no children but have a living parent, your property will be divided between your spouse and your parent(s).
• If you are not married but have children, your property goes to your children.
• If you are not married and have no children, your property will go to your parents or siblings.

What property is not controlled by my will?

• Life insurance proceeds will be paid to the named beneficiary.
• Pension funds, retirement accounts or IRAs will be payable to the designated beneficiary. If no beneficiary is designated, then the proceeds will be payable to your estate.
• Payable on Death designations will be payable to the designated beneficiary. If the beneficiary dies before you, then the proceeds will be payable to your estate.
• Living Trusts (trusts created and funded during your life): any assets already in the living trust at death will pass according to the terms of the trust document.
• Property owned jointly with Right of Survivorship will pass to the surviving owner.
• Real property will transfer according to the deed. However, this transfer could be affected by your will, depending on how the deed is titled. (Check your deed if you are unsure how your real property is held). For example:
  o Real property held tenancy by the entirety is restricted to being held only by spouses, and will automatically pass to the surviving spouse and will not be subject to the terms of the will.
  o Real property held tenants in common can be owned by any 2 or more individuals, and each individual’s share will be subject to the terms of his or her will.
**What are the responsibilities of a guardian?**

- A guardian of the person handles the daily physical care of your children such as food, clothing, shelter, and school.
- A guardian of the estate handles the finances for your children.
- A general guardian serves as both guardian of the person and guardian of the estate.

Some attorneys and estate planners recommend that you keep the two roles separate by naming one person to care for your children in the event of your death and a different person to handle the money.

**Is naming a guardian for my children enough?**

Not always, because any inheritance you leave your minor children will transfer outright to them at age 18 in NC. One method is to create a testamentary trust in your will to name a trustee (can be a person or corporate trustee) who can manage the assets for your children. With a trust, you can also delay the transfer of the assets directly to your children until a more mature age such as 25 or 30. This trustee can also serve as guardian of the estate for your children.

**All of my children are adults - could I still benefit from a trust?**

You may need a trust if you want to have control over how funds are distributed at your death. In addition to those who have minor children, some additional circumstances that may benefit from a trust include:

- You have a beneficiary who has special needs
- You have a beneficiary who may not be responsible with inherited money
- You have children from a previous relationship

**How can SECU help?**

We have trust representatives across the State available to meet with you regarding estate planning topics, including wills, trusts, Powers of Attorney, and Advance Health Care Directives. SECU’s Estate Planning Essentials Program, allows members to meet with participating attorneys and have estate planning documents prepared at a predetermined price. In addition, SECU Trust Services through MEMBERS® Trust Company can provide corporate trustee services and corporate executor services. For more information about trust services or SECU’s Estate Planning Essentials Program, please contact your local branch office and ask to speak to a trust representative.

The material above is for educational purposes only and is not intended to provide legal or tax advice regarding your situation. For legal or tax advice, please consult your attorney and/or tax professional.

Trust Services offered through MEMBERS® Trust Company, a federal thrift regulated by the Office of the Comptroller of the Currency. Trust products are not credit union deposits, are not insured by the NCUA or any other federal government agency, are not obligations of or guaranteed by the credit union, MEMBERS® Trust Company or any affiliated entity, and involve investment risks, including the possible loss of principal.

Attorneys participating in the Estate Planning Essentials Program are not employees or agents of the Credit Union (SECU, LGFCU or NCPAFCU), MEMBERS® Trust Company or any affiliated entity. SECU Trust Representatives are not employees or agents of the participating attorneys. The Credit Union and MEMBERS® Trust Company are not providing legal services and are not responsible for the services provided by these independent professionals. The Estate Planning Essentials Program is an optional program for members. Credit Union Members have the option to use an attorney participating in the program or select their own attorney.
# INVENTORY OF PERSONAL RECORDS

Your Name ___________________________________________ Date Prepared ________________
Address ________________________________________________

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## INVENTORY OF PERSONAL RECORDS

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