

Solutions

An Update from Your Financial Mall Located
at Your General Electric Credit Union

January 2010

Investment Resolutions

Happy New Year! As the calendar year changes, it's a time of reflection about our lives during this past year and to resolve to make changes in the upcoming year. In fact, there is almost always a financial component to New Year's resolutions and it usually involves controlling debt or saving more for the future.

Make it your resolution to plan for your retirement; it's never too late to start!

Even if you aren't sure about the future at your current job, you should participate in their retirement plan if you're eligible. If you can afford it, contribute up to what the company matches so you don't leave free money on the table. Even if there is no match, it still may be advantageous to participate to lower your taxable income.

To do the math, visit: www.payroll-taxes.com/calculators.htm for an online calculator to

see how much will be taken out if you start contributing a percentage of your income toward your 401(k).

If you lose your job, consider strategies for a transfer to a self-directed IRA. This can eliminate early withdrawal and tax penalties. As tempting as it may be, try not to tap into your 401(k) or IRA before retirement. It should be your last resort because it will be subject to these penalties.

Some people choose to keep the money in the retirement plan at their former employer until they're eligible for a retirement plan at their new job. Just make sure you know all of your options and the tax consequences before you move any of your money. Since there are many ways to save for retirement, and just as many investment vehicles, the best advice is to meet with an investment advisor to explore the options that are best suited for your needs.



Investment Perspectives

For onsite advisory services, and to learn more about saving for retirement, visit Certified Financial Planner,® Alex Scott, in **Investment Services** in the Financial Mall. Stop-by or schedule an appointment by calling: **513.243.6510**.

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Preparing Your Home to Sell

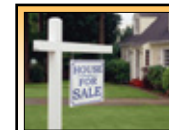
Whether you just want your house to look better, or you are serious about getting your house ready for potential buyers to start viewing it, the following are valuable tips to get you on your way.

Exterior

- Paint exterior to make it look cleaner and younger. If your home has been painted within the last few months, have the trim painted again.
- Trim shrubs, especially around walkways.
- Park extra cars down the street.
- Sweep debris from sidewalks and patios.
- Put all toys and bicycles away.
- Remove old swing sets and furniture.
- Move firewood off ground and away from house. On a termite inspection, firewood stacked next to the house might be listed as conducive to termites.
- Make sure roof is in good condition.
- Mow lawn often; weed and plant flowers.
- Clean and repair all windows and panes.

Interior

- Keep pets out of way.
- Clean oil stains on driveway.
- Water yard in the early morning or late evening to avoid water being tracked in.
- Repair seals around doors and windows.
- Move trash cans out of sight.
- Clean gutters.
- Put away dishes and small appliances to create the illusion of spaciousness.
- Organize laundry room and fold clothes.
- Bathrooms should sparkle; clean and buy a new shower curtain if needed.
- Clean and vacuum floors.
- Remove unnecessary furniture to make rooms appear larger.
- Keep appliances, air conditioner, and furnace in perfect working order.
- Seal windows, tubs, showers, and sinks.
- Clean ashes from fireplace.
- Open drapes and blinds.
- Store away extra clothes and shoes to



Real Estate Views

- make closets appear larger.
- Remove knickknacks that look cluttered.
- Remove offensive posters or paintings.
- Put toys away.
- Move any breakables that could get knocked over.
- Place fresh flowers and plants throughout.
- Keep pet areas clean and odor free.
- Secure jewelry, cash, and medication out of sight and reach.
- Remove cords that might be a hazard.
- Take down excess wall decorations to make space look larger.
- Make sure temperature is comfortable.

To learn more about preparing your home to sell, contact **Real Estate Services** in the Financial Mall today at: **513.243.8600**. Real Estate Services provided by Home Information Network, Inc.

Tips for Purchasing Insurance

When you purchase insurance, you're really buying something that you hope you'll never use. But if you ever do need to file an insurance claim, you'll understand why the right amount and type of coverage is important.

Decide How Much You Need

How much insurance you need depends on many factors, including: how much you owe and own, how much your assets are worth, whether you have dependents, and how much out-of-pocket cost you could afford. You can estimate your coverage needs using online calculators or worksheets, but it's a good idea to sit down with an insurance professional who can thoroughly evaluate your needs.

Comparison Shop

Once you've decided what type of insurance and how much coverage you need, you can meet with an insurance professional to obtain quotes. It's always a good idea to discuss your options with an agent who can research several reputable companies for you.

Understand What You're Buying

An insurance policy is a legal contract full of technical terms that can be hard to understand. Be sure to read and discuss it with an insurance professional to be sure you understand the policy before you sign the dotted line. For instance, the policy will tell you:

- Who or what is covered
- What exclusions and limitations apply
- When coverage begins and ends
- How much coverage is provided
- How much you'll pay for coverage
- How you report a loss or file a claim

Evaluate Your Insurance Periodically

Evaluating your insurance from time to time is just as important as understanding how to purchase it. As your life changes, your insurance needs change too. Here are some times when you'll want to evaluate your needs:

- Getting married or divorced
- Starting a family



Insurance Services

- Renting an apartment
- Buying a house or a car
- Child is going off to college
- Changing jobs
- Buying or selling a business
- Substantial changes to income
- Begin taking care of an aging parent
- Retirement

For more information about purchasing and evaluating insurance, contact **Insurance Services** in the Financial Mall at: **513.243.8100**. Our professionals will: review your policy needs and budget, research the market, and provide you with FREE rate quotes. **And, if we can't find you a better policy, or if you choose not to use what's provided, there is no cost or obligation to you!**

Source: www.insurance.com, "Tips for First Time Insurance Buyers," <http://www.insurance.com/auto-insurance/auto-insurance-basics/tips-for-first-time-insurance-buyers.aspx>.

Coming Soon: Changes in the Federal Estate Tax

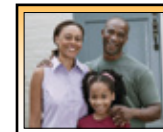
Most taxpayers are familiar with the federal estate tax often called the "Death Tax." This legislation taxes the fair market value of all assets owned by a person upon his or her death. This includes: financial accounts, real estate, securities, annuities, IRAs, retirement plans, and even life insurance. When the net worth of these assets exceeds the federal estate tax exemption, the estate will currently pay up to 45% of those assets to the federal government. Add the Ohio estate tax and the result is that over half of your assets, above the exemption, will go to the government.

The current federal estate tax exemption is \$3.5 million. Unless, however, Congress acts by the end of next year, the exemption will be reduced to \$1 million, exposing individuals and couples with a net worth exceeding that amount to the tax. This would dramatically

change many people's estate planning.

Fortunately, it looks like Congress is finally willing to provide some certainty to the estate tax picture. On December 3, 2009, the House approved a permanent extension of the \$3.5 million exemption. The Bill sets the highest tax rate, above that amount, at 45%. The Senate has not yet approved its version of an estate tax Bill. Indications are, however, that it would at least maintain the exemption at the current level and perhaps reduce the tax rate to 35%.

The picture is not perfect though. The House Bill would cancel the current carryover basis rules. These rules allow for a step-up in basis of capital assets (securities, real estate) to the market value of those assets as of the date of death. For example, if you purchase



Legal Matters

stock at \$10 per share, and at your death the value of the stock is \$50 per share, the basis of that stock becomes \$50 per share. If the House Bill becomes law, your basis would remain \$10 per share, increasing the capital gains by \$40 a share in the event that your estate, or your estate later, sells the stock.

Nevertheless, as Yogi Berra used to say, "It ain't over 'til it's over!" The Senate still needs to act. Stay tuned for further updates.

To discuss your estate and how the tax changes will affect you, contact the attorneys of **Legal Services** in the Financial Mall today at: **513.243.8300**. They offer a no-charge, initial consultation.

Turn to the Financial Mall for Solutions

Financial Mall 513.243.7887 • Investment Services 513.243.6510 • Insurance Services 513.243.8100
Legal Services 513.243.8300 • Real Estate Services 513.243.8600

Located at: **General Electric Credit Union**
10485 Reading Rd. • Cincinnati, Ohio 45241 • Mall Hours: Monday - Friday 9 a.m. to 5 p.m.

513.243.4328 • www.gecreditunion.org • 800.542.7093