December 2024

Member Insights

MERCK EMPLOYEES
FEDERAL CREDIT UNION

From the desk of the President/CEO:

Changes Coming in 2025: New Admin, Fed Action, and Fraud Prevention

There are a lot of things happening at your credit union and plenty to think about in the economy as we head into the New Year.

A new presidential administration always spurs changes to the financial services industry. Why? New administrations bring in their regulatory leaders and the regulatory environment changes quickly. It's worth reminding members that every transaction done at your credit union is highly regulated. Many would be surprised to know but as a federal chartered, federal insured cooperative, a credit union like ours operates under a stringent, comprehensive regulatory framework that makes our industry one of the most highly regulated sectors in the country.

We will be keeping a close eye on the new regulatory changes coming our way as we head into 2025. The other big external factor we are seeing is the interest rate environment. Following one of the fastest interest rate hiking cycles ever, the Federal Reserve is now going the other way and has dropped interest rates by 75 basis points in the last few months. With the Fed's dual mandate of full employment and maintaining low inflation, one would think more rate cuts are coming, but the pace and number of cuts is very much a mystery. As always, we prepare our balance sheet to be one of the safest institutions regardless of the rate environment. We've also launched CDs to give our members another option on the deposit site, while maintaining a very competitive array of loan rates. One of our biggest competitive advantages is our fraud prevention efforts.

Financial fraud is no longer a secret or under wraps. The fraud trend in the country is now well publicized. The mainstream media is continually reporting on the intense

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Longtime Member Wins First Member Appreciation Day Giftcard!



We're thrilled to announce John Reminger as the winner of our very first Member Appreciation Day gift card! John has been a proud MEFCU member since 1966.

His loyalty and support embody the spirit of community we value so deeply. Thank you, John, for being part of our journey and letting us be part of yours. Here's to many more years of shared success!

Member Appreciation Season continues through December 31st.

E-Statement Winners Announced

Two e-statement winners have been chosen as part of the credit union's Member Appreciation Season giveaways. E-statements are not only more convenient than paper statements, but they better protect your personal information and you could possibly win a statement credit.

Congratulations to Mia Szap (member since 2005) and Caroline Dudeck (member since 1985) on the two most recent winners.

Continue to register for e-statements over the next few weeks to be included in our e-statement giveaway through December 31, 2024.



(Continued on from Changes Coming...)

check fraud, mail fraud and account take overs hitting consumers. For example, a few weeks ago the Wall Street Journal covered the explosive check fraud in the country. The story noted that check fraud is up 400% over the last few years and the story highlighted that despite much of the world moving away from paper checks, the U.S. lags in moving away from checks. This is normal. When it comes to payments, the U.S. is historically a slow adopter of new payment innovations. One of the biggest factors for increasing check fraud is that criminals have very little fear in stealing checks out of the mail or forging checks. That is because these crimes are very rarely prosecuted even though check fraud is a crime. Criminals trend toward the path of least resistance and paper checks are the easiest path to steal money. I am encouraged though as more light is shined on this area we are hearing regulators talking tougher on prosecution. I continue to urge members to limit their use of checks and of course reduce mailing paper checks. We also continue to urge members to utilize eStatements to keep their account information out of the mail flow. Recently, we highlighted how members can set up account alerts to monitor account activity so you can act quickly if you see suspicious behavior. We remain one of the safest places to bank due to our stringent policies and procedures, but once a check hits the mail there's little we can do, so alerting us of any suspicious activity is vital.

More Protection Coming

I am very excited to note than in early 2025 we will be launching a new optional fraud tool to help protect our members. This new tool will be offered free of charge and can help you protect not only your credit union accounts, but your accounts from other providers. The key is you must opt in to activate your protection. That will be up to you to do. You will be receiving communication on this new tool sometime in January. I urge all members to give it serious consideration and to take advantage of what it offers. Everything we do at the credit union is done with your best interest in mind and when we launch a new fraud prevention tool it is only done after very extensive and comprehensive research and vetting. I am confident it will bring members more peace of mind with their accounts.

On behalf of everyone at the credit union, I wish you Happy Holidays and a peaceful New Year!

Paul Gentile
President/CEO
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2025 Retirement Plan Limits : New "Super" Catch-Up Feature

The IRS announced its annual retirement plan limits, and they look like this:

- IRA contribution limits remain at $7,000 per year for a Roth or Traditional, with those 50 and older able to add an additional $1,000 in catch-up contributions.
- Roth IRAs carry income limits. For 2025 those are the following:
  - Single filers and heads of household: $150,000 to $165,000
  - Married couples filing jointly: $236,000 to $246,000
  - Married individuals filing separately: $0 to $10,000
- 401K limits have increased to $23,500. For those 50 and older an additional $7,500 can be contributed.
- There is one new "super" catch-up feature to 401k limits starting in 2025. Individuals who are between 60 and 63 years old have a catch-up limit of $11,250, instead of the $7,500 limit for those 50 and older.

There is also one important change to the 10-year Required Minimum Distribution rule. The IRS has confirmed that starting in 2025 non-spousal heirs who inherited an IRA from someone who had reached RMD age must start taking "annual" RMDs and exhaust the IRA in 10 years. The IRS had previously waived penalties and there was confusion as to whether annual RMDs had to be taken or could the account holder simply ensure the account was exhausted within 10 years. The IRS has confirmed annual RMDs must be taken if the inherited account was from someone who was of RMD age. The credit union always advises that members consult their tax professional when contemplating an RMD strategy.

MERCK EMPLOYEES FEDERAL CREDIT UNION
Your Prescription to Financial Health.

Member Services: 732-484-4811 Opt. 5
Loan Department: 732-484-4811 Opt. 2
Debit Card Lost/Stolen: 800-554-8969
Credit Card Lost/Stolen: 800-237-6211

Established in 1936, Merck EFCU is federally-chartered and federally insured by the National Credit Union Administration.

EQUAL HOUSING OPPORTUNITY

NCUA

Featured Loan & Deposit Rates

Auto Loans as low as 5.35% APR*

E-Checking 0.125% APR*

Credit Cards as low as 13.00% APR*

Share Cert. 6 months 3.35% APY*

Share Cert. 12 months 4.00% APY*

IRA Cert. 6 months 3.35% APY*

IRA Cert. 12 months 4.00% APY*

Savings 1.125% APR*

IRAs 1.675% APR*

Home Equity as low as 8.50% APR*

**Annual percentage rate. Visit www.merckcu.com or visit a branch for more information.*