January 2023

Member Insights

MERCK EMPLOYEES
FEDERAL CREDIT UNION

Credit Union Remembers the Needy During Holiday Season



The team and volunteers of the credit union recently gathered for the credit union's annual holiday party, after a two-year hiatus due to the covid pandemic. At the event, which was full of festivities and cheer, the credit union practiced the credit union philosophy of "People Helping People" by donating $5,000 to the Rahway Food For Friends foot pantry. The pantry is located in Rahway and is especially busy this time of year serving the needy with warm, nutritious meals. Rahway Food For Friends President Patricia Carter thanked the credit union for its efforts. "We have seen such an increase in activity, especially with inflation where it is on food items. We can't thank the credit union enough for not only its ongoing monetary support, but also volunteering their time to work during food distribution days. It's just wonderful to have organizations like the credit union in our community."

Merck & Co. Recognizes MEFCU Retail Operations Manager



The credit union works closely with its main sponsor, Merck & Co., especially on the Rahway site. Recently, the RY Link team of the Rahway site, which coordinates activities and promotes site engagement, held its annual Rewards and Recognition program. The credit union was recognized for its efforts in welcoming and briefing new Merck employees during HR orientation. Pictured here are Rahway site employees that were recognized for site engagement, including MEFCU Retail Operations Manager Audra Kristiansen (eighth from left), who leads the effort to educate new employees on the value of the credit union during HR orientation calls. Kristiansen was recognized for helping engage these new employees as they learn about Merck and the Rahway site.

Merck Employees FCU Scholarship Application Now Available!

Each year, the credit union awards six, $5,000 scholarship to high school seniors moving on to the next stage of their higher learning journey. Applicants or their parents/guardians must be members in good standing with the credit union to submit an application.

This year's program will be completed electronically. Applicants can complete the application and email it to scholarship@merckefcu.com. Transcripts, test scores, and teacher recommendations should also be submitted to the same email address.

To download this year's application, please click here. The application is a fillable PDF.

To download just the Teacher Recommendation, please click here.

Please note that all applications are due by March 3, 2023. This annual program is just one effort your credit union takes to help young people with their education. We remain committed to improving the financial wellness of all our members through high-quality, low-cost financial products and services. We encourage members to educate themselves using the articles and resources available on the credit union's website.

If you are chosen as a scholarship recipient for 2023, a stipulation of receipt will be your attendance at the credit union's annual meeting on April 26, 2023 or a video message submitted to the credit union. This video message will be played at the Annual Meeting in lieu of your attendance.

We wish all applicants the best of luck as they complete their senior years. Any questions regarding the scholarship program can be submitted to scholarship@merckefcu.com.

RMD Age Raised to 73 in 2023

What You Need to Know: Congress Makes Sweeping Changes to Retirement Plans for 2023 and Beyond

Within the $1.7 trillion omnibus bill passed by Congress are a potpourri of sweeping changes to retirement plans — some of the biggest changes made in many years, including increasing the age of Required Minimum Distributions to age 73 starting for tax year 2023.

Congress continued the trend of delaying Required Minimum Distributions. Many savers don't like to be forced by the government to take RMDs, instead preferring to see their savings grow, especially given lifespans have increased. During the height of Covid, Congress allowed RMDs to be skipped for 2020 and later increased the RMD age to 72, and now in 2023 the age increases to 73 and will later increase to 75 in 2033.

Another impactful change to RMDs is the steep penalty for failing to take an RMD has been reduced. Prior to the bill, if an IRA holder failed to take an RMD they were charged a 50% penalty of the RMD. That has been reduced to 25% and can be 10% if corrected in a timely manner.

Emergency Withdrawal Option

There is also new relief for a retirement accountholder in need of emergency cash. Retirement account holders who withdraw funds prior to age 59 ½ pay a 10% penalty. The bill contains a provision that waives the fee for an $1,000 emergency withdrawal if it is made for the "purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses."

Charitable Changes

One strategy IRA holders employ to do good and reduce their tax obligation is to make Qualified Charitable Distributions from their IRAs. The bill allows IRA holders 70 ½ and older to do a one-time $50,000 withdrawal to fund a charitable gift annuity or charitable remainder trust.

529 Roth Option

The government created 529 plans to help deal with the high cost of higher learning. One of the uncertainties with 529 plans for savers was the prospect of the child not going on to higher learning or having unused money in the 529. Prior to the bill, money in 529s that was not used could be designated to another family member for the purpose of higher learning or the account holder could pay a 10% penalty to withdraw the funds. The bill introduces a new option — allowing up to $35,000 of the 529 to be transferred into a Roth IRA. The 529 must be more than 15 years old under this change.

Roth 401k gets Roth IRA Attribute

Unlike Traditional IRAs that require RMDs, Roth IRAs do not require RMDs. Interestingly, Roth 401(k)s, which are not that widespread, did require RMDs, until now. The new law eliminates RMDs for Roth 401ks starting in 2024.

Catch Up Amount Boosted for Older Workers

Prior to the new law, workers over the age of 50 could put an extra $6,500 in their 401(k) — that has been increased to $10,000.

Tax Advisor Best to Assist

As always, members should consult with their tax advisor when assessing the impacts of any tax law changes. The new law includes a host of other changes around using 401(k) for paying off student loans, mandating more investment options in 401(k)s, requiring small businesses to offer 401(k)s and more.



Scenes from the Credit Union



If you happen to stop by the credit union's Upton Place Branch, there's a good chance you will see a familiar face or reunite with former co-workers. Recently, longtime member Robert Meyer, who typically banks remotely, stopped in to do some business. He took the opportunity to meet in-person the MEFCU team members he so often deals with remotely, including IRA Specialist Pam Zepka. "The credit union has been part of my financial life for decades. I appreciate the excellent member service and friendly approach to banking. It's certainly not common any more to be able to bank like this" said Meyer who has been a member since 1977.

Featured Loan & Deposit Rates

Auto Loans as low as 3.75% APR*	**E-Checking 0.125% APR***	**Credit Cards as low as 12.50% APR***
Savings 1.25% APR*	**IRAs 1.80% APR***	**Home Equity as low as 6.25% APR***

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

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Your Prescription to Financial Health

Member Services: 732-594-3317
Loan Department: 732-594-3018
Debit Card Lost/Stolen: 800-554-8969
Credit Card Lost/Stolen: 800-237-6211

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