May 2023

Member Insights

MERCK EMPLOYEES
FEDERAL CREDIT UNION

From the desk of the President/CEO:

Scholarship Winners Shine at 87th Annual Meeting; 5498s on Their Way



The 87th Annual Meeting was a great opportunity to connect with our valued members, reflect on 2022 and look ahead at our future plans. One of the highlights of the meeting was hearing from this year's scholarship winners (see story on this page).

While we have many challenges in the world, listening to these high school seniors talk about their future plans offers some hope that the next generation is ready to take on our big challenges. From microbiology and journalism to pursuits of teaching and chemical engineering, this year's group of winners had a wide array of pursuits in their sights. We wish them all well! I also want to thank all of this year's excellent applicants. We look forward to continuing this tradition next year.

5498s Coming Your Way

For our IRA holders who made a contribution to an IRA, had a rollover or executed a transfer, you will be receiving tax form 5498 by the end of May. This form tells you the fair market value of your IRA as well as the amount of any contributions, transfers or rollovers. It will also identify the type of IRA you have (Roth, traditional, etc.). Some members get confused and think this form is to help file taxes. It is not. The forms are

(Continued on back)

And the Winners Are... 2023 Scholarship Winners Announced

Merck Employees Federal Credit Union continued its long tradition of supporting the continuing education of high-school seniors by awarding a $5,000 scholarship to six high school seniors.

Each of this year's winners are heading to a two- or four-year college or university. This year's winners were selected from hundreds of excellent applicants from throughout the country.

This year, the following students were awarded scholarships:

- Joshua Baker, attending Cornell University to study Biomedical Engineering;
- Jimmy Boelhower Jr., attending The College of New Jersey to study Education;
- AJ Caesar, attending Princeton University to study Chemical Engineering;
- Christopher Lee, attending University of Pennsylvania to study Philosophy, Politics, and Economics;
- Caroline Sewell, attending Georgetown University to study Chemistry and Classics; and
- Sheerea Yu, attending Harvard University to study Journalism and/or Law.



Caroline Sewell



L-R: Joshua Baker, Christopher Lee, Jimmy Boelhower Jr., AJ Caesar with Paul Gentile, MEFCU President/CEO



Sheerea Yu

Each of the students were assessed on their academic abilities, volunteer commitments, work and extra-curricular activities, as well as an essay. This year's essay topic focused on volunteerism, a core tenet of credit unions.

"This year's scholarship program had a great turnout. With so many challenges in our world today it's comforting to see young people so dedicated to making a difference. We were thrilled to have them participate in our Annual Meeting to share with us their hopes and dreams for the future," said Paul Gentile, president/CEO of Merck Employees FCU.

The credit union wishes every applicant success in the coming year and throughout their educational journey.

Featured Loan & Deposit Rates

Auto Loans as low as 4.85% APR*	**E-Checking 0.125% APR***	**Credit Cards as low as 13.00% APR***	**Share Cert. 6 months 3.85% APR***
Savings 1.25% APR*	**IRAs 1.80% APR***	**Home Equity as low as 7.50% APR***	**IRA Cert. 6 months 3.85% APR***

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

(Continued from Scholarship Winners...)

required to be sent by the end of May which is about 6 weeks from the tax filing deadline. These forms are informational only but also to ensure the IRS has an accurate snapshot of your IRA activity.

The 401k Trap

While on the subject of retirement accounts, we continue to urge members to try and avoid tapping their 401k prior to retirement age unless it is for an emergency. In recent years we have seen an uptick in loan applicants who have already tapped into their 401k. Please exercise caution as tapping your 401k early can add up to a savings gap when retirement comes around.

Postal Fraud Continues, Postage Rates Set to Rise

Your credit union continues to warn members about the recent spike in fraud from checks being stolen in the mail. It's a growing problem and the U.S. Postal Service now advises that consumer go inside the Post Office when sending mail and avoid the outdoor Blue Boxes which have been targeted. Please note this is a real and growing problem. Fraudsters are stealing checks, washing them and depositing them to their accounts. We urge members to limit the usage of paper checks and the mailing of checks when at all possible. Members do not have to mail us paper checks deposits. They can be safely deposited using Mobile Deposit where you have the comfort of retaining the check and you can then destroy it once you see it clear your account or keep if you'd like. We also urge members to use ACH to pay creditors. It's safe, free and given there is a record of all of these payments they are easy to trouble shoot should there be a problem. Not to mention, the Postal Service is indicating postal rates will be going up again very soon so now is the time to look at alternative methods to mailing checks and payments.

Thank you for your continued membership.

Paul Gentile
President/CEO
Paul.gentile@merck.com



Understanding the APY on Your Savings

When you deposit money into an account, the money earns interest. Interest rates on savings accounts and certificates can change based on an agreed upon date. Merck Employee FCU's savings account rates traditionally change quarterly, though they can be changed more frequently based on market conditions. CD offers from the credit union will also change based on market conditions.

The interest rate is used to determine how much interest the certificate or account earns each day. It is paid at the agreed upon time, quarterly in the case of the credit union's savings accounts, or at the time of maturity like CDs.

APY stands for Annual Percentage Yield, which is the amount of interest, shown as a percentage, you will earn if you keep your money in a savings account or certificate for a year. APY takes into account not only interest but also the rate at which it compounds.

APY is used to show the rate of return on funds over the course of a year.

Below is an example of how compounding impacts the APY and why it is relevant even on 6-month certificates currently being offered by the credit union.

Equivalent of 3.85% APR at different Compounding Frequencies

Compounding Frequency	APY
Annually	3.85%
Semi-Annually	3.89%
Quarterly	3.91%
Monthly	3.92%
Weekly	3.92%
Daily	3.92%

MERCK EMPLOYEES FEDERAL CREDIT UNION
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

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

NCUA