



\$30,000 Raised for Children's Miracle Network

South Carolina Federal Credit Union hosted its Annual Children's Miracle Network (CMN) Campaign to benefit the MUSC Children's Hospital in Charleston and Palmetto Health Children's Hospital in Columbia. The bowling-themed campaign ran from July 11 through August 5 in all South Carolina Federal branch locations. Through balloon sales and other fundraising initiatives, South Carolina Federal employees were able to surpass their \$25,000 goal, setting a new record by collecting over \$30,000. South Carolina Federal has participated in the national Credit Unions for Kids campaign since 1994. Since then, South Carolina Federal has contributed more than \$350,000.

It's a great time to **refinance** an existing auto loan from another financial institution to South Carolina Federal. You could also **reduce** your rate if you have a checking account with direct deposit.

Visit a branch, call or go to scfederal.org for details.

LIFESIMPLIFIED™

Member Account Audit Underway

A third party, Orth, Chakler, Murnane & Company, CPAs, will conduct a financial statement audit of South Carolina Federal Credit Union's member accounts. As a result, members may receive a letter from the CPA firm. The letter will include a September 30, 2011 account balance and will ask members to respond to the CPA firm only if the balance is not correct. If the balance is correct, members do not need to respond to the letter. Please note the letter will be sent directly from the CPA firm Orth, Chakler, Murnane & Company and will come from a Miami, Florida address.



Interchange Amendment Follow Up

A special thank you to those South Carolina Federal Credit Union members who responded to our request to contact your legislator about the Debit Card Interchange Amendment. The final vote did not favor financial institutions. The legislation passed will assess fees for large debit card issuers (more than \$10 billion in assets), and South Carolina Federal is considered a small issuer, as we have \$1.3 billion in assets. The final ruling will result in fees for large issuers capped at 21 cents and the Federal Reserve will review various aspects of the process, which goes into effect October 1, 2011.

Holiday Closure

South Carolina Federal Credit Union branches will be closed **Monday, September 5 (Labor Day)** and **Monday, October 10 (Columbus Day)**. Enjoy around the clock access to your South Carolina Federal accounts through our conveniently located ATMs, ATMs with the CO-OP Network® logo, Phone Banking, Online Banking and Mobile Banking.





scfederal.org

A Message from MEMBERS™ Financial Services

Layoffs, 401(k) Freezes and 401(k) Rollovers

What do you do when you leave work or your company stops matching?

If you're laid off, what happens to your retirement money?

Well, you have three basic choices with your 401(k). One gives you more freedom and control than the other two.

You could just leave your 401(k) alone.

The money will remain invested, and the financial firm handling your 401(k) will keep mailing you quarterly statements telling you how it is doing. Any future growth will be tax-deferred.

But this passive choice comes with an opportunity cost. If you just leave the 401(k) assets in the plan, you're giving up control and flexibility. Your investment choices may be limited, the plan fees may be high, and you may not be able to quickly access your money or do what you want with it. If you have a trail of old 401(k)s left with a bunch of former employers, things can get really complicated when you retire—especially when you have to take Required Minimum Distributions (RMDs). Leaving the money in the plan may not be the wisest choice.

You could withdraw the money. This is a terrible choice—a last resort. It comes with a severe financial penalty. You will not get all the money you have invested back—far from it. You will lose 20% of your 401(k) assets to withholding taxes, and if you are under 55, the IRS will levy an additional 10% penalty for early withdrawal of the assets. By the way, distributions from a 401(k) are considered taxable income—so expect a big tax bill in the year you cash out. The federal government does not want to see you wipe out your retirement savings. Neither does your financial advisor.

If you really need money, you could consider borrowing from your 401(k). The problem here is that most companies want the loan balance paid off when you leave—whether you leave work by choice or not.

You could roll it over into an IRA. This is the choice that usually makes the most sense. You can move the money into an individual retirement account (IRA) through a rollover or trustee-to-trustee transfer. Or you could direct the money into a so-called “conduit IRA,” a traditional IRA created to hold your old 401(k) assets until you move the money into another qualified retirement plan. (You can't contribute to a conduit IRA.)

There's no tax penalty when you do an IRA rollover or trustee-to-trustee transfer. After you do it, you have total control of the money, continued tax-deferred growth, expanded investment choices, and possibly lower account management fees.

Rolling over the money into a Roth IRA might be a great move, provided you can meet two conditions. First, your adjusted gross income (AGI) has to be less than \$100,000 for the year in which you make the rollover. Second, you'll have to pay taxes on the assets you convert. The upside is considerable: you get tax-free compounding, tax-free withdrawals if you are older than age 59½ and have owned your account for at least five years, and the potential to make contributions to your IRA after age 70½ without having to take RMDs. Contributions to a Roth IRA are not tax-deductible, but there are fewer restrictions on withdrawals.

You can fund a Roth IRA with after-tax contributions to a 401(k), 403(b) or 457 retirement savings plan. You can take those contributions and convert them to a Roth IRA tax-free, provided your AGI is \$100,000 or lower. There is no limit on the conversion amount. Incidentally, anyone can convert a traditional IRA to a Roth IRA—the AGI restriction on such conversions disappears.

What if you have to shiver through a 401(k) freeze?

A “freeze” is when your employer reduces or suspends matching contributions to your retirement plan. The answer: don't let up on your personal contributions. If you can manage it, adjust your 401(k) contribution to a level where you effectively replace what your employer contributed. Saving for retirement should remain one of your highest priorities.

How is your money positioned?

How are you invested today? Are you doing things designed to preserve and enhance your retirement money? A chat with a financial consultant you trust may give you more confidence and direction for the future. Contact Catherine Sonntag, MEMBERS Financial Services Coordinator serving the members of South Carolina Federal Credit Union, at 843-869-4917 (**Charleston**) or 800-845-0432 (**Nationwide**).

Representatives are registered, securities are sold, and investment advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor, 2000 Heritage Way, Waverly, Iowa 50677, toll-free 800-369-2862. Nondeposit investment and insurance products are not federally insured, involve investment risk, may lose value and are not obligations of or guaranteed by the financial institution. CBSI is under contract with the financial institution, through the financial services program, to make securities available to members.

Consumer Rate Shop

DIVIDEND RATES

Rates are quoted as Annual Percentage Yields (APY)

Member's Choice Checking (min. balance \$150)	0.05% APY
Share Savings (min. balance \$150)	0.10% APY
Money Market (\$50,000–\$99,999.99)	0.25% APY
Money Market (\$100,000 or more)	0.30% APY

Additional balance requirements apply to qualify for a Member's Choice Checking account.

REGULAR AND IRA SHARE CERTIFICATES

Rates are quoted as Annual Percentage Yields (APY)

Term	Regular (min. \$500)	Jumbo (\$50,000+)
12 months	0.30% APY	0.40% APY

Additional terms from 3–60 months are available. Minimum balance required. Fees could reduce earnings. Penalty for early withdrawal.

LOAN RATES

Rates are quoted as Annual Percentage Rates (APR)

Auto/Truck Loans	New – As low as 3.49% APR Used – As low as 3.49% APR
RV/Boat Loans	New – As low as 3.49% APR Used – As low as 3.49% APR
Personal Loans Personal access line (PAL) – revolving line of credit and fixed-term loans	As low as 12.00% APR
Visa® Platinum	As low as 8.25% APR*
Fixed Rate Home Equity Loan	Call us or visit our website for current rates
Home Equity Line of Credit	Call us or visit our website for current rates
Mortgage First mortgages and refinances	Call us or visit our website for current rates

South Carolina Federal Credit Union offers loan rate discounts. Ask us if you qualify.

*APR is based on your creditworthiness. Current APR ranges from 8.25% to 17.90% and will vary with the market based on the Prime Rate. Up to 2% Foreign Transaction fee applies.

Rates are current as of August 25, 2011, and are subject to change daily. Please contact South Carolina Federal for applicable fees and terms. Call 843-797-8255 or 800-845-8355 for other current loan and deposit rates or visit [scfederal.org](#).

CONTACT INFORMATION

Branch Hours

Lobby
Monday – Friday 9:00 a.m. to 5:30 p.m.

Drive-up Windows
Monday – Thursday 8:30 a.m. to 5:30 p.m.
Friday 8:30 a.m. to 6:00 p.m.

Contact Center
Monday – Friday 8:30 a.m. to 5:30 p.m.

843-797-8300 (**Charleston**) 803-738-8300 (**Columbia**)
843-545-8300 (**Georgetown**) 800-845-0432 (**Nationwide**)
Email: ContactCenter@scfederal.org

Phone Banking (24-hour telephone account access)
843-797-8255 (**Charleston**) 800-845-8355 (**Nationwide**)

Report Lost or Stolen Debit or Credit Cards
800-449-7728

SOUTH CAROLINA FEDERAL STATS

As of July 31, 2011

Assets	\$1,275,999,338
Loans to Members	\$ 861,367,769
Member Savings	\$1,021,024,008
Members	139,844

InBalance is published monthly for members of South Carolina Federal Credit Union. Address comments and suggestions to:

South Carolina Federal Credit Union
Marketing Department
P.O. Box 190012
N. Charleston, SC 29419-9012

