



Times are tough, and so are you!

Establishing an emergency savings account is one of the best things you can do in the face of economic upheaval. While it always pays to have some pennies saved for an emergency or a rainy day, it is especially beneficial these days.

Start small.

Empty your pockets of change each night and put it in a jar with a picture of your savings goal on the front. Change adds up quickly and with WECU's free coin-counters, you won't lose a percentage when you trade it in.

Trade up.

When you trade your coins in put the money in your savings account or purchase a savings bond. WECU sells US Savings Bonds at all of our branch locations and has savings accounts and sub-savings accounts to help you organize and track your savings habits.

Keep track of what you have.

It's hard to save money when you aren't aware of where it's all going. Get control of your budget and figure out which areas you can trim to save. Don't know where to start? Save all of your receipts for a month and fill in your budget after the fact. You'll be surprised where your money goes. If you feel like your budget is out of control or you need help, WECU offers free budget counseling for our members through our affiliate BALANCE. To check out their services call 888-456-2227 or visit their website - www.balancepro.net.

Most importantly, don't give up!

Sticking to a budget or savings plan requires a lot of work and occasionally some tough financial choices. Life is full of emergencies and expenses but if you can put away even a little at a time over a long period of time you'll be ahead of the game!



When your card is compromised

Your safety is of the utmost importance to WECU and we believe in doing our absolute best to protect you.

Recently, one of the nation's largest third party card processors was hacked into, leaving over 100 million card numbers across the nation vulnerable. At WECU we make every effort to prevent fraud from hitting our members' accounts. When an information compromise arises we take immediate action to notify our members and put a stop to any potential fraudulent charges.

As soon as we received word of this recent compromise of information, our Card Services Department sprung into action. The following details the procedures we use when Visa Inc. notifies us that one of our member's cards has been compromised.



1. WECU makes a business decision about when to block your current card. This decision is based on the information taken and whether fraud is occurring on any WECU cards.
2. A message is placed on your account alerting our staff that your card has been compromised and when that card will be blocked from further use.
3. A mailer is sent to each member involved in the compromise. The mailer includes the following information:
 - The type of card compromised
 - A notification that your new card has been ordered
 - The date your current card will be blocked
 - A request to check your statement and notify us of any unusual charges
 - A reminder to contact any merchants that automatically charge your card so you can provide them with your new card information
 - A contact number for WECU Card Services Department should you have questions.

In the case of the Heartland compromise, we also notified members affected over the phone.

If you ever have any questions or concerns about your Visa Credit or Debit cards please contact your Card Services Department directly at 360.676.1168 extension 7360. We are here Monday through Friday from 7:30am till 6:00pm to serve you.

The basics of smart tax management

Smart tax management is a combination of timely filing and taking advantage of everything that can reduce the amount of money you pay in taxes. While tax management does take a bit of planning, organization, and know-how, the overall financial benefit is strong.

Maximize retirement savings plans

If you have an employer-sponsored retirement savings plan (such as a 401(k), 403(b), or 457) available to you, it makes sense to use it. Since you make contributions with pre-tax dollars, your taxable income and possibly your tax rate will be lowered. Investments grow on a tax-deferred basis, so when you retire and take the money out the earnings will be taxed on your new, and usually lower, tax rate.

IRAs are part of good tax management too. Contributions to a traditional IRA are tax-deductible, and account earnings aren't taxed until you withdraw that money at age 59.5. There are income restrictions though, and if you're an active participant in an employer-sponsored retirement savings plan you can't deduct your contributions. While contributions to a Roth IRA are always non-deductible, the earnings are tax-free.

Use your employee benefits

If you are an employee, your company may offer benefits that can reduce your taxable income and therefore your tax liability (the amount you owe):

Flexible Spending Accounts (FSAs). Medical FSAs allow you to set aside money for common health-related costs, and dependent care accounts let you save for work-related child or dependent care expenses. For both, the money is taken out through payroll deduction on a pretax basis.

Transportation plans. These plans allow you to use pretax dollars (and reduce your taxable income) to pay for public transit, vanpooling, or parking.

Pay the right amount

You know you are paying the correct amount of taxes if you neither owe taxes nor receive a large tax refund. While a refund may seem positive, it is really not making the most of your income during the year.

For example, a \$2,000 tax refund translates into \$166 that you don't have in your pocket every month. On the other hand, if you owe and can't pay the entire sum, you'll have to pay interest and possibly penalties, which will only add to your tax debt.



social responsibility committee spotlight

Shred event!

As a part of our International Credit Union Week celebration WECU will be holding a Shred Day for our members. The event will take place from 10am to 1pm on Saturday, April 18th in the parking lot of the Holly Street Branch. Look for the giant Shred truck parked in the Holly Street Drive-Up! WECU members are encouraged to bring either 2 boxes or 3 bags of materials to be shredded.

VA and FHA loans

WECU now offers Veterans Affairs loans (VA) and Federal Housing Authority (FHA) loans through our affiliate CU Members. FHA and VA loans will allow WECU's Real Estate Department greater flexibility to meet our members' needs. WECU will not service these loans but providing FHA and VA loans will give us the flexibility to provide home loans and promote home ownership to those who might otherwise not have the opportunity.

Fee evaluation on Money Orders and Cashier's Checks

WECU strives to provide products and services without charging a fee. When we do charge a fee we try to keep the price as low as possible. With that said, we still must cover the cost of doing business. Therefore, from time to time we evaluate what we charge for products and services and what that product/service costs us. We then price the product/service to cover our costs at a price as low as possible to continue to pass the savings on to you.

On April 1st, 2009, WECU will begin charging a \$1 fee for each money order. For many years we were able to offer money orders with no fee to our members because we subsidized this product. Recently, the money order stock price increased to \$0.70 per item. We therefore determined we could no longer subsidize this cost.

On April 1st, 2009, WECU will begin charging a \$2 fee for each cashier's check. However, we will still offer one free cashier's check per month. Since most members who use cashier's checks need only one a month, we believe this will take care of most members' needs.

Although the hard costs for money orders and cashier's checks are similar, there is more staff time involved in creating a cashier's check. In addition to typing the necessary information in the system, we also have to verify payees' identities in accordance with government regulations.

Despite the placement of these fees, WECU is still sharing part of the cost of these products which includes machine and staffing expenses. We have also compared prices for these products with other local institutions and are pleased to note that we are still the best all-around package deal.

NON-PROFIT OF THE MONTH

Boys & Girls Club of Whatcom County

The mission of the Boys and Girls Club of Whatcom County is to enable all young people, especially those who need us most, to reach their full potential as productive, caring, responsible citizens. The Boys & Girls Clubs of Whatcom County offers an after-school homework help program called Power Hour. Power Hour is an educational enhance-



ment program that reinforces skills taught in school. Adult helpers play educational games with the kids, as well as offer help with homework. Power Hour is offered daily at the six county locations: Bellingham, Birchwood, Blaine, Ferndale, Lummi Island, and Lynden. Volunteers interested in helping kids have a brighter, more successful future can access our online volunteer application at www.whatcomclubs.org, or contact (360) 738-3808 for more information.

We love our members beyond measure!

When you save local, your money stays here in Whatcom County and provides loans to local businesses and neighbors. Thank you for helping make WECU a great part of our community!



This credit union is federally insured by the National Credit Union Administration.

member info

(continued from inside)

Make the most of your deductions and credits

A tax deduction is an expense that you can subtract from your gross income, resulting in a lower taxable income. You can either take the standard deduction, or itemize your deductions. Common examples of tax deductions are:

- An exemption amount for you, your spouse, each child, and any other qualified dependents, and certain disabilities
- Mortgage interest paid on your primary residence
- Equity loan or line of credit interest
- Charitable contributions to eligible organizations
- Certain business expenses
- Union and professional dues
- Some medical expenses
- The cost of tax advice, software, and books
- Depreciation of business assets
- Some work uniforms and clothing
- Moving expenses, in some cases
- Some educational expenses

A tax credit is a dollar-for-dollar reduction in what you would owe for taxes. For example, if you qualify for a tax credit of \$1000, you would be able to subtract that amount from your total tax liability. Common examples of tax credits are:

- Earned income credit. This credit reduces the tax burden for lower-income taxpayers.
- Education-related credits. The Hope credit can be used for the expenses that you incur in the first two years of college. The Lifetime Learning credit applies to tuition costs for undergraduates, graduates, and those improving job skills through a training program.
- Child-related credits. These include credit for child and dependent care expenses, the child tax credit, and the adoption credit.

File on time – whether you have the money or not

Filing your tax return by April 15 (or August 15 if you file an extension) is important. The drawbacks of not filing include:

- Forfeiting the opportunity to pay in installments.
- Your tax bill could increase by 25% or more, due to penalty and interest charges.
- Additional penalties and/or criminal prosecution if you continue to not file.

- Losing the refund, if there's one due.
- Forfeiting the Earned Income Tax Credit, if you're entitled to it.

Even if you don't have the money to pay, file anyway. Programs are available to help you avoid many of the harsher penalties. Properly managing your taxes can greatly reduce the amount of money you pay in taxes and put more money into your pocket. After all, why pay more if you don't have to?

A financial education and counseling service called BALANCE is available to you as a benefit of membership in the credit union. Call 888-456-2227 or check out their website - www.balancepro.net. Copyright © 2007 BALANCE

seminars

Details: This free seminar will be presented in the WECU Education Center at 511 East Holly St. in Bellingham, and is open to the public. **Reservations are required.** RSVP online at www.wecu.com [Your CU/ Seminars] or call our reservation line at 676.1168, ext. 7000.

Transitioning Your Garden from Winter to Spring

Wednesday, March 18th, 7:00 to 8:30 pm

(Please note date was previously listed incorrectly as March 19)

Is your garden ready for spring? If the answer is no, we have the perfect seminar for you! Join Bakerview Nursery and WECU as they teach you some tricks of the trade to help your yard make the transition from those bitter cold months to the rainy Northwest springtime.

Estate Planning

Wednesday, March 25th, 7:00 to 8:30 pm

Estate taxes have been reduced, but it is still important to have a sound estate plan. A well-designed estate plan will assure that you and those you care about enjoy the security of your assets. Estate planning is not just about taxes, it's also about providing for your comfort during your lifetime, efficiently transferring assets to beneficiaries and achieving family objectives. Financial Consultant John L. Ayotte and a guest Estate Planning Attorney will discuss estate planning strategies you may want to consider to help you achieve your financial goals.