

“Whether I’m banking at my financial center or over the phone, I’ve never experienced this level of involvement from a financial institution. Working with UFCU feels like being a part of a team and community.”

Member  
Matt G

Member Since  
2013

# Currency Affairs

Winter 2016

A look back at 2015 | UFCU Mortgage Service Named #2 in Austin | Prepare for 2016 with UFCU Seminars



# Annual Meeting and Election of Directors

An election of directors is scheduled in conjunction with University Federal Credit Union's 2016 Annual Meeting for three places on the Board of Directors.

## ANNUAL MEMBERSHIP MEETING

**Monday, April 4, 2016 | 5:30 PM | UFCU Plaza Event Center | 8303 N MoPac Expy | Austin, TX**

Chairman of the Board Ellen Wood appointed a Governance/Nominating Committee led by committee Chair John Martin. The committee nominated the following members to serve as UFCU directors for three-year terms: Adriana Cruz, Mini Kahlon, Mark Updegrave.

UFCU's bylaws permit other nominations by petition if signed by 500 qualified members and, together with a statement of qualifications and signed certificate stating the nominee is agreeable to such nomination and will serve if elected, is submitted to UFCU's Senior Manager, Assurance Services by 5 PM Central Standard Time on or before February 4, 2016. The election will be conducted by mail ballot only if there exists one or more petition candidates. Bylaws do not allow nominations from the floor at the annual meeting when one or more candidates exist for each open position.

For more information regarding the election process, including how to obtain related documents, please contact the office of the Senior Manager, Assurance Services at (512) 467-8080 or (800) 252-8311, ext. 22312.



**Adriana Cruz** - Adriana Cruz is the President of the Greater San Marcos Partnership, a regional economic development corporation established in 2010 to encourage and nurture economic growth in the fast-growing corridor between Austin and San Antonio, Texas. She leads the organization's efforts to position the region for a wider diversity of quality jobs with higher wages through a sustainable and comprehensive multi-year economic development strategic plan; and promotes the region around the U.S. and internationally to attract high quality companies. Cruz has over 23 years of leadership experience in economic development, marketing, and international business. Prior to assuming this role, Cruz was the Vice President of Global Corporate Recruitment for the Austin Chamber of Commerce

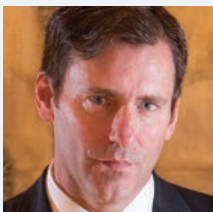
where she was project lead in numerous high profile corporate relocations and expansions including Apple, Facebook, eBay, Hanger Orthopedic, Samsung and LegalZoom. Cruz served for four years leading the statewide effort to promote Texas as a location for jobs and investment in Governor Perry's Economic Development and Tourism Office. She serves on several regional Boards and in 2014 she was named a finalist in the Austin Business Journal's Profiles in Power: Central Texas Women of Influence award. Cruz holds a B.B.A. in Marketing from The University of Texas at Austin.



**Mini Kahlon** - Dr. Mini Kahlon turns vision into strategies to guide the Dell Medical School in achieving its mission in education, research and clinical innovation. Mini builds the ecosystem of partners necessary to achieve Dell Medical School's goals, which include establishing a new model for academic medicine in advancing the health of a region. Mini works with public, private and academic partners across Austin and the surrounding area to build a model healthy city and advance health-related innovation.

Prior to joining the medical school, Mini was Executive Director and Chief Information Officer for the Clinical and Translational Science Institute (CTSI) at the University of California, San Francisco (UCSF). With cumulative funding of more than \$200 million, CTSI at UCSF is one of the largest awardees of the Clinical & Translational Science Awards (CTSA) from the National Institutes of Health (NIH). The institute functioned as an innovation arm of UCSF, addressing opportunities and challenges in all aspects of research—from early translational product focused research to health care delivery redesign. At CTSI, she led national initiatives focused on health information technology; statewide initiatives to accelerate research and aggregate data from across the University of California system; and multi-partner grants funded by the NIH, National Science Foundation (NSF) and Patient-Centered Outcomes Research Institute (PCORI) that used data and technology to improve research and health.

Mini also brings management experience from Silicon Valley startups working on award winning software and technologies, as well as the philanthropic social change sector working to improve education. Her work has been highlighted in the San Francisco Chronicle to Businessweek, she is a City of San Francisco honoree for her volunteer efforts and has received awards for technology innovation in health. Mini is a graduate of Bryn Mawr College and received her PhD in Neuroscience from UCSF.



**Mark Updegrave** - Mark K. Updegrave is the director of the LBJ Presidential Library in Austin, Texas, where, in April 2014, he hosted the Civil Rights Summit which included addresses by President Barack Obama and former Presidents Jimmy Carter, Bill Clinton, and George W. Bush. He is the author of *Indomitable Will: LBJ in the Presidency* (2012), *Baptism by Fire: Eight Presidents Who Took Office During Times of Crisis* (2009), and *Second Acts: Presidential Lives and Legacies After the White House* (2006). His latest book *Destiny of Democracy: The Civil Rights Summit at the LBJ Presidential Library* was published in February. He has conducted exclusive interviews with five U.S. Presidents.

## Interested in leading our cooperative?

Credit unions are unique financial cooperatives in that their boards of directors, committees and task forces are composed of volunteers. In an ongoing effort to diversify professional skills and experience represented among UFCU's volunteer leaders, UFCU's Governance/Nominating Committee encourages members interested in serving in a volunteer capacity to complete a volunteer application available from the President/CEO's office at (512) 467-8080 or (800) 252-8311, ext. 21008.



# President's Report

If your homes and offices are anything like mine, the holiday season brought with it a flurry of activity followed by a time of reflection and anticipation as the New Year begins. As I reflect on 2015, I am filled with pride in the work accomplished by UFCU's 594 employees across Central Texas and Galveston County. I am grateful for the dozens of volunteers who lent their time and talents last year to making UFCU the very best it can be, and I am thankful for the 199,186 members whose financial health is at the core of our mission.

Together, we achieved significant milestones in 2015. Here are some of the key enhancements we've put in place for you, our membership:

## Financial Center Facilities to Serve You Close to Campus, Work and Home

Early in the year, we brought UFCU services to Texas State University faculty, staff and students with the opening of our first UFCU Texas State Financial Center located on Texas State University's campus in San Marcos. Through this campus presence, we were able to offer several financial workshops on campus to Texas State affiliates. In early 2016, we anticipate opening our San Marcos Interactive Financial Center in central San Marcos. Visit [UFCU.org](http://UFCU.org) for the latest news.

We also increased services to our Galveston County members with the opening of our Victory Lakes Interactive Financial Center. This clean, modern interactive financial center opened in September. It is our first mainland facility located in League City, on the IH-45 feeder lane.

And, in response to member requests for expanded services west of Austin, in October we evolved the Lakeway Mortgage Center into a full-service interactive financial center.

## New Products to Serve Businesses

Our financial services for business owners continued to grow this year as we sought creative new ways to further support this important member segment. New offerings for our business owners include:

- Updated business checking accounts with lower fees and no minimum balance requirements and other updated features,
- A business debit card with higher purchasing power and a higher ATM withdrawal limit, and
- A UFCU deposit card that allows designated employees of the business to perform deposit transactions in UFCU interactive financial centers.

## Advances in Payment Technologies

We also enhanced our technological capabilities with the launch of Apple Pay™ last summer. Many of you already benefit from the features offered by Apple Pay which include:

- *Enhanced security* – Since a card does not need to be present, there's less likelihood of a stolen number. Moreover, Apple Pay does not use the 16-digit card number for processing the payment but uses a token to process the transaction, further reducing the chances of the card details getting stolen.
- *Greater privacy* – Apple does not track shopper transactions and store the data, and retailers do not see the shopper's name or billing address.
- *Greater experience* – A simple touch lets you quickly checkout both in-store and in mobile wallet apps.

Also, in late 2015, we began to adopt chip technology-based debit cards (EMV enhanced cards), and will soon offer chip credit cards. The move to chip technology was made for two reasons: to adopt latest card technology standards; and to mitigate counterfeit card fraud. Chip cards used at these terminals encrypt card data, virtually eliminating the ability to grab card data used to counterfeit cards. However, you should continue to be cautious online as these transactions are not protected by the chip technology!

As we look ahead to the New Year, we will continue to seek ways to empower you, our members, with financial tools and education to help you achieve your financial goals. This is your financial cooperative. You own us. We are unique in our structure, unique in our mission and unique in how we measure success. As always, we appreciate your business and the opportunity to be of service to you and your family.

Warmest regards,

**Tony C. Budet**  
President/CEO

# Want to Lose Weight? Live Longer? Be Healthier? Be Smart With Money



*Remar Sutton*

**Remar Sutton**  
Independent  
Consumer Advocate

You've probably had a moment or two when you worried about money. Most of us have been there. New studies show that about 25% of us lie awake at night worrying about money.

But did you know that money worries—if they are persistent—now have been linked to obesity, the number of years you will live, and how healthy you will be during those years?

All this data come from both life and health insurance companies, which have been tracking economic well-being as a health factor. Obesity is the newest side effect of money worries confirmed by these groups—and these worries impact the health of children in families as well as the parents.

UFCU has been unique in the Austin area for many years in providing you honest consumer information that is designed to actually help you make smart decisions, not designed to hype you. That's not true of all financial institutions. As an independent consumer advocate who has worked with UFCU for more than 14 years I can say that.

And do you know what all those consumer information over the years is based on? Some pretty simple principles.

First, be a healthy skeptic with anyone who wants to touch your money or your welfare. You may take it for granted that UFCU will send you to some other financial institution if it can't serve your needs best. UFCU has done that for years. Don't expect to find that business philosophy at many businesses.

Second, beware of impulse buying. Virtually all advertising is designed to make you react, not think. The principle goal of UFCU's consumer information has been (and remains) to get you to slow down before spending money. Dr. Ian Zimmerman's series in Psychology Today showed that you can throw away half a million dollars over your economic life on impulse buys.

Third, understand that debt is portable. Just because you have a bad loan or a bad credit card doesn't mean you have to keep it. If you haven't analyzed your current debt, you're probably throwing away thousands. UFCU can help you do that analysis.

Finally, plan ahead. Health problems related to money increase dramatically as we age. If you don't have at least a modest savings and retirement plan in place now, you need to start one.

Long-term money problems don't normally happen overnight. They creep up on us. You can stop a lot of that creep by following these four simple principles. Your health will thank you.

3

# Will You Make These Money Mistakes?

Saving money is a lot easier than making money! We all can save more dollars by voiding some common money traps like these:

- **Do you pay full price, regardless of service or quality?** If you've received poor service or a poor product, do you ask for your money back? If you aren't satisfied with the service you received, always ask for a refund – but be specific in your complaint, and make sure you're right. Virtually all restaurants will adjust your bill if you have a sincere complaint, and businesses from airlines to rental car companies will, at the very least, give you perks for your trouble.
- **Do you ever buy more items just to meet the minimum limit to use a credit or debit card?** Shoppers spend on average an additional \$11 every time they use a card rather than pay cash at a convenience store. The simple solution to saving those dollars is to carry enough cash for small purchases.
- **Do you buy items you use frequently at a convenience store, rather than a discount store?** Stop. Buying bulk typically saves you 10%-30%.
- **Does the word "sale" grab your attention?** Watch out. Unless you really need an item, buying an item on sale is like burning money. Here's one way to tell if you fall for this: have you purchased clothing on sale that you seldom, if ever, wear? You do? Oops.
- **Are you a "grazer" at the grocery store?** Grazers drop items into their cart with hardly a thought. Studies show that up to 60% of your purchases are likely to be impulse purchases. Obvious answer: Make a list and stick to it!
- **Do you go online to buy one specific item and end up buying more?** All online sellers design their websites to encourage impulse buying. Some websites double their sales with this technique. Use the web for purpose-driven purchases, not entertainment.
- **Do you assume that sellers and merchants won't budge on how much they're asking?** Whether you're shopping on Craigslist, in stores, or at a farmer's market, asking for a lower price can work. Asking for a price break at independent retailers works really well. Even asking for a discount at "big box" stores can work. Ask if the store offers discounts on floor models, or offers price match guarantees. Many retailers not only will match a competitor's price, but beat it. Get the point? It doesn't hurt to ask, and each time you succeed, you'll gain confidence in your bargaining skills.



*Will deHoo*

**Will deHoo**  
Independent  
Consumer Advocate

By avoiding these sales traps, you can spend less and put more money back into your pocket, where it belongs.

**Good luck!**





# NEWS



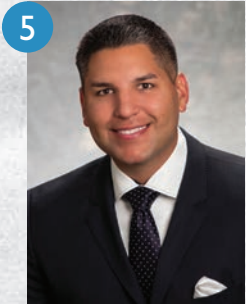
## UFCU Mortgage Services Recognized by the ABJ

For all of us at UFCU, there can be no greater gratification than helping a member buy the home of his or her dreams. Building or purchasing a new home is likely the single largest investment you'll ever make, and University Federal Credit Union will help you with each step. In 2015, we had the opportunity to close 1,509 home loans in the Austin area alone, at a volume of \$398.3 million. **In fact, the Austin Business Journal (ABJ) named UFCU Mortgage Services the number two mortgage company serving the Austin area.**

Whether you're buying your first home or your retirement dream, our mortgage experts are focused on finding the best mortgage for you. We're also committed to working with you in whatever way you prefer, by offering both the

latest technology and the personal member service we're known for. You can choose between fixed conventional rate loans and jumbo loans for mortgages larger than \$417,000. In addition, we offer competitive rates on refinancing, land loans and home equity loans.

We thank our members and our referral partners for entrusting us with their real estate financing needs. **We are thrilled to congratulate six UFCU mortgage loan officers who were named among the ABJ Top 25 Mortgage Loan Officers in Austin in 2015.** If you are considering a real estate investment in 2016, you'll feel at home with the real estate financing experts at UFCU. Give us a call at (512) 997-HOME (4663).



5 David Medrano  
NMLS ID #568150



6 Ryan James  
NMLS ID #509719



8 Matt Schepper  
NMLS ID #177669



12 Rohan Kothare  
NMLS ID #888266



16 Tiffany Hentrup  
NMLS ID #509718



17 Jessica Wurzel  
NMLS ID #1065748



Equal Housing Lender  
NMLS ID #441215  
8303 N MoPac Expy, Austin, TX 78759

# Member Educational Seminars & Events

Visit [UFCU.org](http://UFCU.org) to register or for complete event details.



DATE



TOPIC



TIME



LOCATION

JAN  
13

**Retirement Income Planning\***

6 PM - 7 PM

Lakeline

JAN  
27

**Socially Responsible Investing\***

6 PM

North Guadalupe

FEB  
10

**First Time Home Buyers**

6PM

UFCU Plaza Event Center

FEB  
24

**Goals-Based Investing\***

6 PM

Steck

MAR  
9

**Cybersecurity Awareness**

6 PM

UFCU Plaza Event Center

MAR  
10

**Wheels 101**

6 - 7:30 PM

UFCU Plaza Event Center

MAR  
12

**Shred Day**

10 AM – 12 PM (or until truck is full) weather permitting

North Guadalupe

MAR  
16

**Financial Planning Basics\***

6 PM - 7 PM

Lakeline

APR  
5

**First Time Home Buyers**

6:30 PM

UFCU Plaza Event Center

APR  
19

**Insuring Your Automobile**

6 PM

UFCU Plaza Event Center

APR  
19

**Teacher Retirement System 101\***

6:30 PM

University

APR  
27

**Estate Planning 101\***

6 PM

North Guadalupe

MAY  
19

**Teacher Retirement System 101\***

5:30 PM

Open Gates  
Conference Center (Galveston)

MAY  
25

**Estate Planning 102\***

6 PM

North Guadalupe

JUNE  
8

**Cybersecurity Awareness**

6 PM

UFCU Plaza Event Center

JUNE  
11

**Shred Day**

10 AM – 12 PM (or until truck is full) weather permitting

North Guadalupe

JUNE  
15

**Your Employer Sponsored Retirement Plan\***

6 PM - 7 PM

Lakeline

JUNE  
29

**Teacher Retirement System 101\***

6 PM

North Guadalupe



# Seminar & Event Descriptions

TOPIC	DESCRIPTION
<b>Retirement Income Planning*</b>	Are you on track for the retirement you envision? Do you know what type of income you can expect in retirement? Join us for this seminar designed to help you plan for a financially successful retirement.
<b>Socially Responsible Investing*</b>	Calvert Investments* has been a leader in the field of sustainable and responsible investing (SRI) for over more than 25 years. Please join us at this informative seminar to learn about socially responsible investing. * Calvert Investments is not affiliated with CUSO Financial Services, L. P., its representatives or University Federal Credit Union.
<b>First-Time Home Buyers</b>	It is time to own your first home! UFCU is here to help. Come learn how to buy your very first home. UFCU is offering advice and information on how to qualify for a loan, what to expect from your REALTOR®, the benefits and pitfalls of purchasing a foreclosure, and the meaning behind all the mortgage terminology and costs. Learn how to stop renting and enjoy all the financial and personal benefits of owning your own home. Equal Housing Lender. 8303 N MoPac Expy, Austin, TX 78759. NMLS # 441215
<b>Goals-Based Investing, Common-Sense Investing for the Uncommon Investor*</b>	Are you interfering with your own retirement? The Goals-Based Investing seminar will help bring focus to your financial picture and educate you on how to navigate the many common pitfalls of investing. Learn to: <ul style="list-style-type: none"> <li>• Identify and track progress towards ALL of your goals;</li> <li>• Stay off the emotional spin cycle of investing; and</li> <li>• Remain calm in a market crisis.</li> </ul> Focus on what matters most – achieving your goals. Register today.
<b>Cybersecurity Awareness</b>	We live in a world that is more connected than ever before. The Internet touches almost all aspects of our daily life, whether we realize it or not. In this educational seminar, we'll discuss cybersecurity best practices on what you can do to protect yourself, family or business. Our goal is to raise awareness about cybersecurity and provide simple tips to be safer online.
<b>Wheels 101</b>	Getting ready to go out and buy a new or used car? Thinking about refinancing your current car? Join us for an educational and exciting discussion about what to expect and how to best prepare yourself for the car buying experience. Learn the important principles of car buying, refinancing, and the following: <ul style="list-style-type: none"> <li>• “Dealer Levers” and how to spot them</li> <li>• Managing debt to improve your credit and financial future</li> <li>• Believing in “Second Chances”</li> <li>• Properly structuring your rate and term</li> <li>• Acting as a cash buyer</li> </ul>
<b>Shred Day</b>	Criminals need very little information to steal identities, and garbage cans offer an abundance of information from paperwork. Bring up to two file boxes of paper per household for free confidential shredding. Commercial high-volume shredders, courtesy of Iron Mountain, will be on-site to shred your records. GES (Global Environmental Recycling) will be on-site to collect and recycle your electronics. For more information regarding GES and for a list of acceptable recycling items visit <a href="http://www.GESRecycles.com">www.GESRecycles.com</a> . UFCU's Risk Manager Chris Miller also will be available to answer any questions and/or concerns about ID theft and other fraud issues. Mark your calendars now! * *Weather permitting
<b>Financial Planning Basics*</b>	If you attend this seminar, you can expect insight on: <ul style="list-style-type: none"> <li>• How to construct a budget and the importance of establishing an emergency fund</li> <li>• Credit fundamentals</li> <li>• Basic investment concepts, including risk tolerance and the difference between pre-tax, after-tax, and tax-deferred investments</li> <li>• Basic estate planning concepts</li> </ul>
<b>Insuring Your Automobile</b>	Having the correct auto insurance coverage can save you time and money. Topics discussed will be: <ul style="list-style-type: none"> <li>• Auto insurance policies and the different types of coverage's available;</li> <li>• The real definition of full coverage; and</li> <li>• Liability limits;</li> <li>• Why minimum coverage is not a wise purchase.</li> </ul>
<b>Teacher Retirement System 101*</b>	As an educator, it is important to you to help your students understand the choices that are available to them. At UFCU, we feel the same way about our members. Please join us to learn more about your choices and opportunities when considering retirement from TRS. Topics include: <ul style="list-style-type: none"> <li>• TRS Retirement Rules</li> <li>• Partial Lump Sum Option (PLSO)</li> <li>• Windfall Elimination Provision (WEP)</li> <li>• TRS Standard Annuity Calculation</li> <li>• Government Pension Offset (GPO)</li> </ul>
<b>Estate Planning 101* (Basic Topics)</b>	Many people believe that estate planning is only for the wealthy. Nothing could be further from the truth. This educational workshop will help you and your family learn basic techniques to become better prepared for life's unexpected events. The workshop covers wills, trusts, powers of attorney, medical directives, gifting and other important estate planning tools. Join us to learn more about this vital topic, one that is relevant to us all.
<b>Estate Planning 102* (Advanced Topics)</b>	While virtually everyone needs to address basic estate planning issues, some people require more sophisticated strategies. In Estate Planning 102, we go beyond the concepts contained in Estate Planning 101 to discuss estate tax minimization techniques such as optimizing the marital deduction, bypass (credit shelter) trusts and family limited partnerships. In addition, we will cover charitable giving strategies and asset protection concerns. Please join us for this detailed look at estate planning for those with substantial assets and/or more complex needs.
<b>Your Employer Sponsored Retirement Plan*</b>	<ul style="list-style-type: none"> <li>• Why it's important to make retirement planning a priority now</li> <li>• Three reasons why participating in your employer-sponsored plan makes sense</li> <li>• The steps you can take today to help you pursue retirement with confidence</li> </ul>

\* Non-deposit investment products and services are offered through CUSO Financial Services, L.P. (“CFS”), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, **are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal.** Investment Representatives are registered through CFS. UFCU has contracted with CFS to make non-deposit investment products and services available to credit union members.



# The Cost of a Free Windshield Repair

It's a beautiful day. You are driving down the highway enjoying the sunshine when suddenly a rock hits your windshield and leaves a small crack in the glass. You know that you have to get it fixed because the crack will only get bigger if left unrepaired. You call a glass repair company and are elated to find that your insurance will cover the repair at 100%. What you don't know is that the repair may not necessarily be free after all.

The comprehensive portion of an auto policy pays for the damage to a windshield and is subject to a deductible. While some companies still offer zero deductible glass coverage, most do not. Often times, there is an additional premium added to your policy for the zero deductible glass coverage.

Insurance companies base your rate on several underwriting factors including credit, age, gender, marital status, demographic data, vehicle type, prior limits, prior coverage, driving record and claims. If you make a lot of small claims on your policy such as glass repair, you may very well contribute to a rate increase on your policy.

Consumers have a difficult time accepting that insurance companies raise rates for small claims. This happens primarily to customers with several claims within a short period of time. Your current rate is based on all of the underwriting factors at the time coverage was placed. If you continually submit small claims, your rating tier may change and you will see a price increase.

We recommend that, before you make a small claim, check with your insurance agent first to confirm the amount of your deductible. If the deductible is higher than the cost of the repair, do not call in the claim. Pay for the repair out of pocket. Zero paid claims are reported by carriers and can stay on your claim history for up to five years. Unfortunately, zero paid claims can affect your rate when shopping for coverage.

UFCU Insurance Services is committed to helping you find just the right insurance company and policy for your needs. For a free, no obligation quote, call us at (512) 421-8100.

## Update Your Contact Information

Does UFCU have your current address, phone number(s) and email?

In order to serve you in the best way possible, we strongly encourage you to maintain accurate contact information with UFCU. We strive to keep you informed about any developments or issues that may affect your account. Examples include:

- Notify you that your debit and/or credit card was affected by a data breach at a retailer.
- Communicate certain account notices that are required by law.
- Inform you of major system upgrades and any resulting service disruptions.
- Provide you with timely information in the event of a disaster or emergency.

If you've moved, changed your phone number, or updated your email address; be sure to let us know. Change your address, phone number(s) and email address via Online Banking or ask a UFCU representative to verify and update your contact information.



### Text Message Communication

UFCU will occasionally send text messages to members regarding data compromises at retailers and card reissue information. Our text messages will never ask for your account number, card number, PIN or other account information. If you have any questions on the authenticity of a text, please call us or visit [UFCU.org](http://UFCU.org) for detailed information.



# THE BIPARTISAN BUDGET ACT OF 2015

On November 2, 2015, President Obama signed into law the Bipartisan Budget Act of 2015, legislation that raises the federal debt limit and establishes the framework for a two-year budget deal. The legislation, needed to avoid an impending default on U.S. debt, also contains multiple unrelated provisions, including an elimination of two Social Security retirement benefit claiming strategies and a provision to prevent a significant increase in Medicare Part B premiums for some.

## SOCIAL SECURITY

The “File and Suspend” Social Security Claiming strategy used by married couples has received quite a bit of attention over the last several years. The strategy involves one spouse filing an application for retirement benefits when he or she reaches full retirement age and immediately requesting that benefits be suspended, allowing his or her eligible spouse to file for spousal benefits. The file-and-suspend strategy has been most commonly used when one spouse has much lower lifetime earnings, and thus will receive a higher retirement benefit based on his or her spouse’s earnings record, rather than on his or her own earnings record.

In a provision labeled “closure of unintended loopholes,” the legislation effectively eliminates this strategy. If an individual chooses to suspend retirement benefits, neither the individual nor his or her spouse can receive spousal benefits during the suspension period. This provision will be effective in six months and applies to new file-and-suspend claims. Individuals who are both eligible and have implemented the file-and-suspend strategy before the six-month period ends will not be affected by the change.

Another strategy that has been used to potentially increase retirement income involves one spouse filing for spousal benefits first, then switching to his or her own higher retirement benefit later. If a spouse reaches full retirement age and is eligible for both a spousal benefit based on his or her spouse’s earnings record and a retirement benefit based on his or her own earnings record, he or she could choose to file a restricted application for spousal benefits only, then delay applying for retirement benefits on his or her own earnings record (up until age 70) in order to earn delayed retirement credits.

The legislation eliminates this strategy as well. Anyone applying for either a spousal or retirement benefit is deemed to have filed an application for the other type of benefit as well. This change affects individuals who attain age 62 after calendar year 2015. Individuals who reach age 62 on or before December 31, 2015, will continue to be able to file restricted applications for spousal benefits once they reach full retirement age.

## MEDICARE PART B

For 2016, there will be no automatic increase in monthly Social Security benefits. The fact that Social Security benefits are not increasing also affects Medicare Part B premiums. A “hold harmless” provision in the

Social Security Act protects about 70% of Social Security beneficiaries from increases in Medicare Part B premiums when there is no Social Security cost-of-living increase (the standard premium is currently \$104.90). That means, however, that Medicare Part B premium increases have to be spread out over the roughly 30% of Medicare beneficiaries who are not protected by this provision. These beneficiaries include those with higher incomes who are subject to income-adjusted Part B premiums, low-income beneficiaries whose Part B premiums are paid by Medicaid, beneficiaries who are enrolled in Medicare but not yet receiving Social Security benefits, and new Medicare or Social Security enrollees. Premiums for some of these individuals were scheduled to increase by as much as 52%.

To prevent this outcome, the legislation sets a new 2016 Part B premium of \$120 for certain beneficiaries not protected by the “hold harmless” provision. This figure is the amount the premium would be if the increase was spread among all beneficiaries. These beneficiaries will pay an additional \$3 in monthly Part B premiums until the shortfall is made up. Those paying higher income-adjusted Part B premiums will pay more. The provision will apply in 2017 as well if there is again no Social Security cost-of-living adjustment.

## OTHER PROVISIONS

The legislation includes several other provisions worth noting, including:

- *Changes affecting single-employer Pension Benefit Guaranty Corporation (PBGC) premiums, and modification of the rules relating to the use of mortality tables.*
- *Repeal of the requirement established by the Affordable Care Act for employers with more than 200 employees to automatically enroll new full-time equivalent employees into a qualifying health plan, and to automatically continue enrollment of current employees.*
- *Modification of partnership audit rules, and clarification of the rules governing recognition of family partnership ownership interests.*
- *Changes to improve the financial health of the Social Security disability program, including a temporary reallocation of a portion of the payroll tax rate.*

The financial advisors at University Federal Credit Union, available through CFS\*, will work closely with you for a financial review. For more information or for a complimentary consultation, email or call us today.

## JONATHAN SHEETS

JSheets@ufcu.org  
(512) 467-8080 x21814



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## Board of Directors/ Senior Leadership

### Board of Directors:

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John A. Martin, Vice Chairman

Cynthia A. Leach, Secretary

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Neal E. Armstrong, Ph.D.

Carl E. Hansen, Ph.D.

George K. Herbert, Ph.D., J.D., Director Emeritus

Laura J. Kilcrease

C. Cale McDowell, J.D.

David W. Niesel, Ph. D.

Frank J. Peters, Director Emeritus

Mary A. Seng

### Supervisory Committee:

C. Brian Cassidy, J.D., Chairman

Christine A. Plonsky, Secretary

Leslie L. Blanke, Ph.D.

Brady M. Cole, RADM USN SC (Ret)

Faraz Khan

### Principal Officers:

Tony C. Budet, President/CEO

Yung V. Tran, CPA, Executive Vice President

Michael E. Crowl, CPA, VP, Finance/CFO

Heather M. McKissick, VP,

Human Resources/Organizational Development

Aaron M. Persons, VP, Retail Operations/CRO

John C. Petrey, VP, Information Technology/CIO

Laurie A. Roberts, SVP, Lending/CLO

Ellen S. Simpson, VP, Enterprise Risk Management

Sheila Jo Wojcik, Ph.D., SVP,

Communications/Corporate Affairs



# Illness can be expensive. Are you covered?

## Coming Soon: University Federal Credit Union Approved Critical Illness Insurance

If you or your family members are diagnosed with a critical illness, you may be momentarily “stopped in your tracks.” Thanks to medical advances, the chances of recovering from a life-threatening illness may be promising. However, the costs involved with an illness and lost income from time away from work can be unsettling. With the right plan in place, you can focus on recovery instead of worrying about the bills.

The UFCU-Approved Critical Illness Plan\* provides cash benefits for defined illnesses or specified diseases to help cover out-of-pocket medical and other non-medical

expenses. You can use the lump sum benefit payment for any purpose you choose, such as:

- Paying off deductibles;
- Child care;
- Transportation costs for yourself or family members;
- Loss of income; or
- Any other financial need.

Some of the illnesses included in the policy are:

- Cancer;
- Heart attack;
- Kidney failure;
- Paralysis;
- Stroke.

*Given her strong family history of breast cancer, Deirdre wants a plan in place to take care of out-of-pocket expenses, not only medical expenses, in the event she is diagnosed with breast cancer.*

As an added service, and at no

additional cost, the Critical Illness Insurance includes Ask Mayo Clinic\*\* which offers 24/7 access to reliable health information and guidance from one of the most respected names in medicine.

With this Critical Illness Plan, you can help protect yourself and your family from financial risk in the event of a critical illness. More information about this valuable coverage will be sent to age-eligible members soon.

\* Insurance is underwritten by Federal Insurance Company, a member insurer of the Chubb Group of Insurance Companies. The insurance described may not be available in all jurisdictions. This literature is descriptive only. Actual coverage is subject to the language of the policies as issued. Chubb, P.O. Box 1600, Whitehouse Station, N.J. 08889-1600.

\*\* Ask Mayo Clinic nurses do not answer insurance benefit questions. If you have questions about benefits or claims, please call your insurer's customer service department. Ask Mayo Clinic is not a substitute for emergency response systems. In a medical emergency, you should call 911 or your local emergency number. Mayo Clinic is an independent service provider. Federal Insurance Company does not have any ownership interest in Mayo Clinic.



# Giving back to our communities is a vital part of UFCU's long term mission, commitment and focus.



Not only do UFCU employees work hard to improve the lives of our members, they also volunteer their time and talents to improve the communities we serve. Recently UFCU employees volunteered to help make several local events and organizations initiatives more successful.

## Organizations supported by UFCU employees include:



Candlelight Ranch - Annual Fundraiser



Ronald McDonald House



The Boys & Girls Club of America



Galveston County Food Bank

# Where will \$25,000 take you?



University Federal Credit Union has teamed up with TurboTax® to get you your maximum refund, savings of up to \$15 on TurboTax federal products, and a chance to win \$25,000.

- TurboTax translates taxes into simple questions about your life and puts everything in the right forms for you.
- TurboTax searches more than 350 deductions and credits, so you won't miss a thing.
- TurboTax runs error checks and a final review to help make sure your taxes are done right.

Just try TurboTax Online for FREE (and provide your email address) by February 18th to be automatically entered in the TurboTax \$25,000 Payday Sweepstakes.<sup>1</sup> Start TurboTax now!

<sup>1</sup> TurboTax \$25,000 Payday Sweepstakes. NO PURCHASE OR FINANCIAL DISCLOSURE NECESSARY. Open to legal residents of the fifty (50) United States or the District of Columbia, 18 years of age or older at time of entry. Void in Puerto Rico and where prohibited by law. Sweepstakes ends 2/18/16. Subject to complete Official Rules and all applicable federal, state and local laws. For Official rules including odds of winning, alternate method of entry, and prize descriptions, visit the Official Rules. PRIZES: One (1) Grand Prize: A check for \$25,000. Retail value, \$25,000. Ten (10) First Prizes: A check for \$1,000. Retail value, \$1,000 each. Maximum retail value of all prizes is \$35,000. The odds of winning a prize depend upon the total number of eligible entries received by the end of the Promotion Period. SPONSOR: Intuit Inc., 7535 Torrey Santa Fe Rd, SDG-2A-03-22H, San Diego, CA, 92129.

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## HOLIDAY CLOSINGS

UFCU will close in observance of the following holidays:



- New Year's Day ..... Friday, January 1, 2016
- Martin Luther King, Jr.'s Birthday ..... Monday, January 18, 2016
- Presidents' Day ..... Monday, February 15, 2016
- Memorial Day ..... Monday, May 30, 2016
- Independence Day ..... Monday, July 4, 2016

## LOCATIONS

- Ben White ..... 130 E Ben White Blvd, Austin, TX
- Brodie ..... 9925 Brodie Ln, Austin, TX
- Downtown ..... 201 W 7th St, Austin, TX
- Galveston ..... 428 Postoffice St, Galveston, TX
- Highway 79 ..... 120 Palm Valley Cv, Round Rock, TX
- Lakeline ..... 13860 US Hwy 183 N, Austin, TX
- Lakeway ..... 1213 Ranch Road 620 S, Lakeway, TX
- N Guadalupe ..... 4611 Guadalupe St, Austin, TX
- Pflugerville ..... 15116 FM 1825, Pflugerville, TX
- Scotfield ..... 1500 W Parmer Ln, Austin, TX
- S MoPac ..... 5033 US Hwy 290 W, Austin, TX
- Steck ..... 3305 Steck Ave, Austin, TX
- Teravista ..... 571 University Blvd, Round Rock, TX
- University ..... 2244 Guadalupe St, Austin, TX
- Victory Lakes ..... 2500 S Gulf Fwy, League City, TX
- Westlake ..... 701 Capital of Texas Highway S, West Lake Hills, TX
- Whitestone ..... 3200 E Whitestone Blvd, Cedar Park, TX

## MORTGAGE SERVICES

UFCU Plaza ..... 8303 N MoPac Expy, Suite A105, Austin, TX

## YOU CAN REACH US BY DIALING

(512) 467-8080  
(800) 252-8311



## MAILING ADDRESS

PO Box 9350  
Austin, TX 78766-9350

## WEB ADDRESS

UFCU.org

## UFCU PLAZA

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