



The Credit Union That Is Different . . . On Purpose!

C U NOTES

Your Shares Are Federally Insured To At Least \$250,000

September 30, 2014

KNOXVILLE TEACHERS FCU

DIVIDENDS ANNOUNCED FOR THIRD QUARTER OF 2014

The dividends for the third quarter of 2014 remain unchanged. All shares in IRA accounts and all other share accounts in excess of \$4,000 earned a dividend of **0.50% APY** and shares below \$4,000 were paid at a rate of **0.15% APY**. As we've pointed out before, our dividends are lower than what we would have expected in the 1980s but we do point out that these rates are about twice the national average rate for one year certificates of deposits. Some commentators are speculating on the timing of the change to the Federal Reserve's policies that have resulted in this record low yield on savings. We are convinced that the longer the program, the greater the trauma of change when it comes. The rate paid on deposits in the Deferred Compensation 457(b) accounts remains unchanged as well.

We get inquiries from interested members who ask when rates will begin to go up. Recent discussions by members of the Federal Open Market Committee (FOMC but frequently called "The Fed.") suggests that rates will begin to climb toward the middle of 2015. We should point out that that was said of 2014 in 2013 and about 2013 in 2012, etc. etc. We will continue to monitor rates and will respond in an appropriate manner.

A NEW SCHOOL YEAR IS A GOOD TIME TO START

Start what, you may ask? Now is a good time to start saving. Knoxville Teachers Federal Credit Union has something that very few credit unions can offer. Saving by opening a 457(b) Deferred Compensation Plan will provide a superior savings rate and a tax deferred benefit as well. If you must ask what a 457(b) account is, think IRA on steroids.

This savings account has paid a dividend no less than 2.5% APY all during these past six years while most other savings accounts paid dividends of less than a half of one percent. Unlike other higher yielding savings devices, your account can never go down at Knoxville Teachers Federal Credit Union and it is federally insured up to \$250,000. And yes, we do have some members who have saved that much and more at Knoxville Teachers Federal Credit Union. (Ever read the book, "The Millionaire Next Door?")

Currently, only employees of Knox County Schools and Clinton City Schools are eligible to participate. A school system must agree to allow employees to participate in this particular tax shelter program. If you wish to approach your school system concerning this, suggest they call us to see how easy it is for them to participate in this Deferred Compensation Plan. The credit union will do all the work.

	4th Quarter 2013	1st Quarter 2014	2nd Quarter 2014	3rd Quarter 2014	Yearly Average APY
Credit Union Premium Shares	0.50%	0.50%	0.50%	0.50%	0.50%
Credit Union IRA	0.50%	0.50%	0.50%	0.50%	0.50%
Bank 6 Month CD*	0.15%	0.15%	0.15%	0.15%	0.15%
Bank 1 Year CD*	0.24%	0.24%	0.23%	0.24%	0.24%

(Rates are as of first of each quarter.)

The yield rate printed on your statement is the composite rate of your first \$4,000 and the remainder of your share deposit.

**Published by www.bankrate.com*

REREAD THAT CHART!

Did you look closely at that chart above? It shows you that you can either tie your deposits up for a year and earn about a quarter of a percent or you can deposit them here and earn double that amount. Plus, shares can be withdrawn at the time of your choosing - not at some maturity date that may not match your needs.

Serving School Employees Since 1932

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

East/Downtown

711 N. Hall of Fame Dr.
Knoxville, TN 37917
(865) 582-2700

South Office

203 E. Moody Ave
Knoxville, TN 37920
(865) 582-2704

Farragut Office

147 West End Avenue
Knoxville, TN 37934
(865) 582-2701

Halls Office

3722 Cunningham Rd
Knoxville, TN 37918
(865) 582-2706

North Office

108 Hillcrest Drive
Knoxville, TN 37918
(865) 582-2702

Bearden Office

410 Montbrook Ln.
Knoxville, TN 37919
(865) 582-2707

Powell Office

7315-C Clinton Hwy
Powell, TN 37849
(865) 582-2703

Carter Office

8709 Strawberry Plains Pk.
Knoxville, TN 37924
(865) 582-2708

Clinton Office

125 Leinart St
Clinton, TN 37716
(865) 582-2705

Anderson Co. Courthouse

100 N. Main St, Room 123
Clinton, TN 37716
(865) 582-2709
(10 - 4:30, Mon - Fri)

Oak Ridge Office

304 New York Ave
Oak Ridge, TN 37831
(865) 582-2710

All locations are open 9-5 weekdays,
except November 27 (Thanksgiving),
December 24 (Christmas Eve) and December 25 (Christmas)

Virtual Branch - <http://www.ktfcu.org>

COMPARE YOUR RECORDS WITH OURS

We ask that each member assist us in keeping your accounts accurate. From time to time, a member's check intended for payment on a loan may get deposited to shares instead. These sorts of human errors are quickly and easily corrected especially if caught and corrected immediately.

Your attention to your account is the best audit available. However, we engage a CPA firm to conduct an annual audit of members' accounts. That accounting firm will send out requests for confirmation to a selected portion of members. When you are asked for confirmation, we hope you will promptly respond. This helps your credit union to operate efficiently and accurately. In addition to the annual audit, we engage the same accounting firm to conduct quarterly reviews to assist us in compliance to the most recent changes in accounting practices. (There have been numerous changes in accounting procedures and practices in the past five or so years.)

Finally, an examination is conducted frequently and no less than annually by our federal share insurer. Regardless of these outside and expensive examinations and audits, the very best audit is a frequent review by members on their own finances. If you have a question or note a posting that is not as you intended, call us at 865 582-2700 and voice your concern or question. We will welcome it.

THE NEXT TAX REPORT

The very next quarter end statement you receive will be the one that you will use to prepare your 2014 IRS report. Yes, hard to believe but it is true. When you want to file your return early to get your tax refund, you may be delayed if you have not updated your address to this credit union and to any other financial institution you use. Take the time now to send in corrected address information to us. Your cell phone and email address would be useful as well. If some strange transaction is noted, we can confirm your wishes much more effectively if we are in possession of your correct address, phone numbers and other methods of communication that you use. In these days of rapid communication, it is necessary to have accurate, up-to-date contact information. Call the credit union at 865-582-2700 or send in your current and updated information to info@ktfcu.org.

A WELCOME TO NEW MEMBERS

We welcome new members at anytime of the year. However, we make a special effort to let newly employed teachers know about Knoxville Teachers Federal Credit Union at the new teacher orientations. We offer each newly employed teacher a special lending arrangement. We call it "It's a Long Way to Pay Day Loan." This year was fairly typical with over seventy-five new members joining the credit union to benefit from the use of funds deposited by older teachers.

This tradition of almost 85 years continues. Teachers save with the credit union to provide other teachers a reliable place to borrow as they start into the profession and as they work through life, buy a car, begin or expand homes, and meet the financial needs of living.

A small signing bonus, an easy loan and a warm welcome was waiting for these new additions to our profession. Welcome, new teachers!!

URBAN LEGEND

How can I avoid probate?? All too often, we hear members struggling to develop a strategy to avoid probate. Let's discuss probate before we try to develop a way to avoid it. Probate in Tennessee is simple and inexpensive. Anyone capable of filing an income tax report or applying for a drivers license is capable to handle the process of probate. Unless a very complex estate is involved, an attorney is not a necessity. You can even go through the probate process without a will. (This does not mean that our continual appeals to members to create a written will is not valid. In our opinion, the decision to not create a will is most likely both thoughtless and careless.)

Processing a will (going through probate) takes about two trips to the court house (or City/County Building in Knox County) and about \$220. If property is involved, going through the probate process is almost a requirement unless there is a surviving joint owner. Of course, when that surviving joint owner dies, probate will almost certainly be required if the property is still owned.

We urge members of Knoxville Teachers Federal Credit Union to create a will and review it every five years or so. Take action when situations change as the result of divorce, deaths of listed beneficiaries or other significant changes in your situations. Don't fear probate. Just prepare for it to keep it simple.