



Money matters

November 2009

It's Here ...

The Sacramento Credit Union VISA® Platinum Credit Card



The credit card you've been waiting for is here – the VISA Platinum RewardsPLUS card. With a VISA Platinum RewardsPLUS credit card from Sacramento Credit Union, you can get a great, low fixed rate with no annual fee. Better yet, you'll earn rewards each time you use your card!

THE CHOICE IS YOURS

Unlike other cards that may limit your rewards to one airline or one company's merchandise, the VISA Platinum RewardsPLUS card lets you choose your own rewards from a wide range of travel discounts and merchandise, even cash! You'll earn points for everything from major purchases to everyday spending when you use your VISA Platinum RewardsPLUS card from Sacramento Credit Union.

You can check your point balance by clicking on the RewardsPLUS link on the Sacramento Credit Union Web site at www.sactocu.org anytime, day or night. Or, call toll-free (877) 909-1450 Monday through Friday from 6 a.m. to 6 p.m. Pacific time to verify your point balance.

Once you have enough points for the reward of your choice, you just submit your redemption request online. Choose from:

- **Travel and vacations.** You can travel on most major airlines with fewer restrictions, and even combine points plus cash to purchase a ticket – with no blackout dates! Or use your points at participating resorts, hotels and car rental agencies.

- **Gift certificates and gift cards.** Your points can be redeemed for gift cards or certificates at many of your favorite merchants. Categories include electronics, entertainment, recreation/leisure, restaurants, gas and retail.
- **Cash.** Prefer cash? Redeem your points for a cash reward and it will be directly deposited into your Sacramento Credit Union savings account.

FIND OUT MORE

If you currently have a Sacramento Credit Union Classic VISA Card and you'd like to be upgraded to a Platinum Card, please contact us.** If you prefer not to take advantage of the RewardsPLUS program, you may choose the standard VISA Platinum card with variable interest rates as low as 7.00% APR.*

If you don't already have a Sacramento Credit Union VISA credit card, what are you waiting for? Don't pay high rates and fees on some other financial institution's credit card. Apply online at www.sactocu.org, call (916) 444-6070 or visit your local branch.

* APR = annual percentage rate. Individual rates determined by applicant's credit history. Rates subject to change.

** Normal credit restrictions apply.

in this issue

The Clock Is Ticking on 2009 IRA Tax Savings ...2

Calendar of Events

Nov. 11, 2009 – Veterans Day
SCU Offices Closed

Nov. 26-27, 2009 – Thanksgiving
SCU Offices Closed

Dec. 25, 2009 – Christmas
SCU Offices Closed

Are You Ready to Buy a Home?

A growing family, freedom from renting, space to entertain or run a home business – there are plenty of compelling reasons to leap into homeownership. Still, you need more than good intentions to manage a mortgage. See how you measure up in the following categories.

QUALITIES OF A PREPARED HOMEBUYER

Past employment: Two years or more on the job. This shows the stability of your employment and income.

Future plans: Live in the area five years or more. If there's a chance you'll need to relocate for work or other reasons, renting may be a better option than buying.

... continued on page 2



The Clock Is Ticking on 2009 IRA Tax Savings

Board of Directors
 Willie L. Southward III, Chair
 AnnMarie Boylan, Vice Chair
 John Beck, Secretary-Treasurer
 Les Brown, Director
 Judy McGarry, Director
 Mark Norris, Director
 Jan Reeves, Director
 Terry Tice, Director

Supervisory Committee
 Gene Webb, Chair
 Mary Ann Bennett, Vice Chair
 Remie Diva, Member
 Beverly Skeaton, Member
 Pat Wilcox, Member

President & CEO
 Jerrold A. Kinlock

Branch Hours
 Mon. - Thurs. • 9 a.m. to 5 p.m.
 Friday • 9 a.m. to 6 p.m.

All Offices
 Phone: (916) 444-6070
 Toll Free: 1(888) SACTO-01
 24-Hour LoanAccess Line
 Toll Free: 1(877) 444-LEND
 E-Z Access: (916) 441-2255
 Toll Free: 1(800) 397-2255

Elk Grove
 9160 E. Stockton Blvd., Ste. 120

Fair Oaks
 8100 Madison Avenue

Sacramento
 3660 Bradshaw Road
 800 H Street
 3045 Arden Way, Ste. 200
 6121 Franklin Blvd.
 Kaiser Hospital*
 6600 Bruceville Road
 * Limited hours of operation.

www.sactocu.org

Home Loans
www.SCUhome.com
 (916) 441-LOAN

SCU Investment Services
 (916) 444-8599, ext. 3112

**Personal Auto Shopper
 Autoland**
 (916) 449-2763

If you haven't contributed to an individual retirement account (IRA) yet, do it now. You have until April 15, 2010, to open and contribute to an IRA for the 2009 tax year.*

IRAs are a smart way to save for retirement on a tax-favored basis. With a traditional IRA, earnings grow tax-deferred; you'll pay ordinary income taxes on withdrawals in retirement.** You may even be able to deduct your contribution, saving on your current tax bill.***

With a Roth IRA, you can't deduct contributions. However, earnings on the account may be withdrawn tax-free if you hold the account for at least five years and are at least age 59½ upon distribution.†

The contribution limit for 2009 is \$5,000 or earned income, whichever is less. Taxpayers age 50 and older can contribute an additional \$1,000. In general, you must have earned income to open an IRA, but non-income-earning spouses of income earners can open their own IRAs.

GOOD (ROTH) NEWS FOR 2010

Prior to 2010, taxpayers with modified adjusted gross incomes above \$100,000 and married taxpayers filing separately could not convert from a traditional to a Roth IRA. Effective Jan. 1, 2010,

anyone can convert to a Roth IRA. Ordinary income taxes will be due on the amount of the conversion, but if you convert in 2010, you may choose to split the tax bill between 2011 and 2012.

The new law does not eliminate the income eligibility requirements to open or contribute to a Roth IRA, but that doesn't prevent you from opening a traditional IRA and then converting it to a Roth.

START TODAY

The sooner you start saving, the longer that tax-advantaged compounding can work for you. Plus, there is no annual fee for an IRA Certificate or IRA share account at Sacramento Credit Union, so more of your money is working for you. Your IRA savings are insured up to \$250,000 by the NCUA, so you have peace of mind knowing your money is there when you need it.

If you have questions about opening a traditional or Roth IRA or converting to a Roth, contact Sacramento Credit Union at **(916) 444-6070**, click www.sactocu.org or visit your local branch.

* You can make contributions for the 2010 tax year from Jan. 1, 2010, to April 15, 2011.

** Premature withdrawals are subject to a 10% tax penalty.

*** Deductibility depends on whether you or your spouse participates in an employer-sponsored retirement plan and, if so, your income.

† Nonqualified withdrawals are subject to ordinary income tax plus a 10% penalty.

This financial institution does not give tax advice. Consult your tax advisor for information specific to your situation.

Are You Ready to Buy a Home? ... continued from page 1

Existing savings: A respectable down payment.

First-time homebuyers may qualify for Federal Housing Administration (FHA) loans with a 3.5% down payment. A 10% down payment is even better (and may be required for a conventional mortgage).

Emergency savings: Enough to last three to six months. Maintain a reserve of money to pay the mortgage and other expenses in case of a job loss or other emergency.

Home budget: Property taxes, insurance and repairs. The costs of owning a home far exceed

the mortgage amount. Estimate all of these costs and build them into your budget.

Sweat equity: Time and money for home upkeep. Depending on the home, you could spend a small fortune (and/or many hours) on repairs, refinishing and redecorating. And there also may be ongoing maintenance such as mowing the lawn, cleaning the gutters, etc.

It's important to feel good about your decision to buy. At Sacramento Credit Union, we can help determine if you're qualified to buy and how much you can afford. Call one of our mortgage specialists at **(916) 444-6070** to get started.

