



Dear Members,

As we begin the New Year, we would like to thank you for being a member of Northeast Credit Union and for your continued loyalty. As your trusted neighbor, we continually strive to put our members' needs first and look for new ways to offer you more services of convenience, products with great rates and guidance on topics that you can relate to.

A topic that seems top of mind is one that many families face – having to help children with college expenses while at the same time looking after the needs of aging parents. Squeezed in the middle, many have joined the ranks of the "sandwich generation".

In this issue, we've included articles that cover this spectrum, from preparing to search for college aid to approaching retirement. You'll also see that we've announced the opening of our new branch in Northwood – a branch that was built with member convenience in mind. In addition, we've highlighted our free online bill payment service, CyberPay, and information about free federal tax return preparation and filing for those that qualify.

We hope you enjoy this issue of Neighborhood News. From everyone at Northeast Credit Union, we wish you and your families a happy and healthy New Year.

Sincerely,

A handwritten signature in black ink that reads "Peter J. Kavalauskas".

Peter J. Kavalauskas
President/CEO

The Approach to Retirement

After years of saving and planning for retirement, there may come a time when you can finally afford to stop working. Careful planning in the months leading up to retirement can ensure a smooth transition from an employee to a retiree.

Reduce or eliminate your credit card debt. A high balance on a credit card can translate to a monthly bill of several hundred dollars. Paying that bill will require you to withdraw more from your investments each year — potentially depleting your nest egg faster. You'll probably never regret eliminating the burden of a high credit card balance, even if doing so requires you to stay in the work force a few extra months. The fact is cash flow during retirement years is more fragile than it was during your working years.

Ease your way into your new lifestyle. When you're ready to move on to a new phase in your life, you may feel it's time to leave all the vestiges of your old lifestyle behind. But when making a dramatic change, such as selling your house and settling in a new part of the country, take a gradual step. Renting for your first winter, for instance, may help you determine if you're ready to leave your old neighborhood completely behind. By trying on the new lifestyle on a temporary basis, you can help reduce the odds that you'll regret your decision to move later on.

Develop an appropriate asset allocation strategy for your investments. A generation ago retirees would shift most or all of their assets into conservative instruments such as bonds because these investments could provide the current income and principal stability they needed. But with earlier retirement ages and longer life spans, today's retirees often need the principal growth that stocks historically have provided. As you prepare to transition your investments into retirement, you'll want to meet with a Northeast Investment and Insurance Services representative to discuss how you'll allocate your holdings. We believe investors of any age are best served by following a disciplined diversification strategy that involves three trusted principles:

1. Allocate across the major asset classes — stocks, bonds, and cash.
2. Diversify among the various classes to gain exposure to various investment styles, such as value and growth, and market sectors, such as government and corporate bonds.
3. Rebalance your investments on a regular schedule to ensure that you maintain your desired allocation.



Note: There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not ensure against market risk.

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Your job of planning for retirement, of course, never ends. Each year you'll want to check in with your Northeast Investment and Insurance Services representative to make sure your financial plan is performing as expected. Still, those decisions you make in the final months leading up to retirement will have a considerable impact. Get them right, and you're far more likely to be one of those retirees who can honestly say that retirement is all they ever dreamed of and more.

For a free consultation, contact Bill MacGregor, Investment Representative at 603-743-6846 or Jon Otterson, Vice President Investment and Insurance Services at 603-422-9882.

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CyberPay – Fast, easy and guaranteed.

Because our CyberPay online bill payment service is so secure and reliable, we offer you a 100% Payment Guarantee¹. You will not pay a late fee or penalty for a properly scheduled payment.



And, CyberPay isn't just for your mortgage and car payments, you can pay just about anyone in the United States.

So, take the time and hassle out of sitting down each month to make out checks. Take that time to relax and enjoy life instead, knowing that all of your bills are being paid online and on time – guaranteed.

Plus, CyberPay is free with Northeast Credit Union's Northeast Checking and Relationship Checking Accounts².

For assistance in establishing your CyberPay account, please contact Member Service at 1-888-436-1847.

¹ In accordance with the service policy.
² CyberPay accounts that are inactive for 90 days will automatically be cancelled.

Preparing for College Aid



Here we are at the start of another new year and for some of you that also means starting to get your financial aid picture in order to attend college. The tips below will help you avoid the last minute rush to qualify for the various college loans, grants and scholarships that are available.

Complete your FAFSA. In order to apply for some of the more common types of financial aid (such as the Pell Grant, Stafford Loan, etc.), you will need to complete a Free Application for Federal Student Aid (FAFSA). The earlier you can get the application in, the better your chance is for receiving aid.

Beware of scholarship scams. Believe it or not, there are scams that involve trying to get your money by applying for various scholarships. Most scholarships are legitimate, but watch out if you see any of these warning signs:

- "The scholarship costs money." Remember, free money shouldn't cost you a dime.

- They need your credit card number to "hold" the scholarship. Again, free money doesn't cost anything. Don't give out any credit card information until you have received something in writing and verified the scholarship is legitimate.
- "We'll do all the work." The college student is the only one who can complete the application and complete any other requirements that a legitimate scholarship may require.

For more information go to:
<http://www.ftc.gov/bcp/conline/edcams/scholarship>

Some scholarships may affect the financial aid offered. The best way to find out if a scholarship could actually lower your student's financial aid is by talking to a financial aid officer at your student's school. Try to set this appointment up as early as possible to make sure your student doesn't miss any scholarship deadlines.

Resources to find out more information. Financial aid is a large part of the preparation for college. Check out the following websites that can provide you with valuable information for applying for financial aid and resources where students can locate scholarships:

- The NHHEAF Network Organizations are the largest source for college funding within New Hampshire. (<http://www.gsmr.org/>)
- Maine Education Services (MES) provides products and services to Maine students and families who need assistance in financing their higher education. (<http://www.mesfoundation.com>)
- For general information, you can expand your knowledge of financial aid information by visiting sites like www.finaid.com and www.collegeboard.com. These sites can also help students locate scholarships and grants.

To help pay for college tuition and other expenses, consider a Northeast Credit Union **home equity loan** or **line of credit**. To find out more, call a Member Service Representative today at 1-888-436-1847.

Resource: Award winning information provided by Financial Finesse.

Free Federal Tax Return Preparation and Filing and EITC Information

As part of the Rockingham County Asset Building Coalition*, Northeast Credit Union is proud to be a New Hampshire Volunteer Income Tax Assistance (VITA) site, staffed by volunteers trained by the Internal Revenue Service.

An individual that meet income requirements (as shown below) may be eligible for free Federal tax return preparation and filing, and may qualify for the Earned Income Tax Credit (EITC).

- An individual (with 2 or more children) earning less than \$37,783 or married (with 2 or more children) filing jointly earning less than \$39,783 may receive the EITC maximum credit of \$4,716.
- An individual (with 1 child) earning less than \$33,241 or married (with 1 child) filing jointly earning less than \$35,241 may receive the EITC maximum credit of \$2,853.
- An Individual (no children) earning less than \$12,590 or married (no children) filing jointly earning less than \$14,590 may receive the EITC maximum credit of \$428.

Free Tax Preparation and Filing Locations and Times

January 31 to March 15
Northeast Credit Union
100 Borthwick Avenue
Portsmouth, NH
By Appointment Only
Thursdays 9am-4pm
Fridays 9am-5pm
Saturdays 9am-12 Noon
Call Lynn: 603-422-9804

February 10 and February 17 only
Holy Trinity Lutheran Church
22 Fox Run
Newington, NH
By Appointment Only
Sundays Above 12 Noon-4pm
Call: 603-436-1704
Ask for Sharon

For more information or to arrange for an appointment, please contact the desired site as noted above.

*Services are coordinated by the Rockingham County Asset Building Coalition (RCCA). RCCA participating organizations include: United Way of the Greater Seacoast, Internal Revenue Service, Northeast Credit Union, UNH Cooperative Extension, Rockingham Community Action, Community Resource Network, Legal Advice & Referral Center, Volunteer Action Center, NH Community Loan Fund, Edgewood Centre, MicroCredit-NH. Partners and supporters include: Holy Trinity Lutheran Church, Northeast Credit Union, NH Community Loan Fund, UNH Cooperation Extension, MicroCredit-NH.

Tax Season is Here

Now is a great time to consider starting an IRA. Choosing between a traditional IRA and a Roth IRA means deciding whether you want to take advantage of the upfront tax break (if you are eligible) or enjoy tax-free withdrawals later.

For those who qualify for both a traditional IRA and a Roth IRA, the choice can be complicated. Here are some things to consider:

- **How soon you'll need the funds.** You generally have to be 59½ to withdraw funds from either a traditional or Roth IRA without a penalty. In most cases, you have to have had a Roth IRA for at least five years before you can tap into it without being taxed on the earnings, although you can withdraw your contribution without a penalty at any time. If you'll need the money sooner, the traditional IRA may be best. If you've got a time frame that's longer, this won't be a factor.
- **How much you can deduct.** If your contribution to a traditional IRA is not deductible, and you qualify for a Roth IRA, you may want to look at the Roth IRA.
- **What you expect to earn in retirement.** If you anticipate remaining in a high (or higher) tax bracket, the tax-free distribution of a Roth IRA may be more appealing.

Need help choosing an IRA that's right for you? Give Member Service a call today at 1-888-436-1847.

Resource: Award winning information provided by Financial Finesse.

Northwood Branch is Open for Business

Northeast Credit Union is proud to announce that our new branch in Northwood is open for business. The branch is located at 144 First N.H. Turnpike, at the junction of Routes 4 and 202.

The Northwood location offers a drive-up ATM that is accessible 24 hours-a-day, 7 days-a-week, and four drive-up teller lanes. This branch also features services such as new account openings, deposit



Lori Hults, Sales and Service Manager
Northwood Branch

services, and a full range of mortgages, consumer loans and small business offerings.

We welcome you to stop by our new branch today and meet Lori Hults and her staff.

Steps to Starting Your Estate Plan

It's that time of year when we have a "fresh start", which is a great opportunity to implement all those things we say we need to get done. Estate planning often gets put on the back burner. Use the steps below to finally cross "estate planning" off your resolution list.

Write your wishes down. Commonly referred to as a will, this is the foundation of a basic estate plan. A will is simply your instructions for what you want to take place after you pass away. A good way to start your will is by simply writing your wishes down on a piece of paper and then formalizing it (this can be done by templates available in "do it yourself" books or by visiting a site such as www.nolo.com which has all types of legal forms available). Don't forget to inventory all your assets. This is important not only to properly create your will, but also aids you in valuing your estate for probate fees and/or estate taxes.

Note: If you do not have a will and you have minor children, the state will decide who the guardian of your children will be. The state also determines who gets your assets through laws of intestacy.

Document your instructions. In case you are unable to communicate your wishes, you will want to have these documents in place that state your wishes. The three documents listed below will enable someone you choose to carry your instructions through.

1. **Durable POA:** This document enables you to select someone (referred to as the "attorney in fact") to act on your behalf regarding financial transactions. **IMPORTANT:** If your POA is not "durable" it is revoked upon your disability and/or your ability to communicate.
2. **Medical POA:** This document enables you to select someone to make medical decisions on your behalf. This power can only be exercised when you are unable to communicate and is not limited to situations where you are terminally ill.
3. **Living Will:** This is a document that you can use to state under what circumstances you wish to be kept alive by artificial means.

Monitor your estate plan. Things change. That's why you should review your estate plan whenever a life event occurs for you and your family. Be sure to update your beneficiary designations for retirement accounts, investment accounts, life insurance and more. Even if it seems like nothing's changed, you should review your estate plan every few years at a minimum.

Northeast Credit Union offers FREE Estate Planning Seminars. Check the back page of this newsletter for more information.

Resource: Award winning information provided by Financial Finesse.



Your Trusted NeighborSM

100 Borthwick Avenue • PO Box 1240
Portsmouth, NH 03802-1240

PRSRT STD
US Postage
PAID
Permit No. 182
Portsmouth, NH

To Reach Us...

Local 603-436-1847
Toll Free 1-888-436-1847
Internet www.necu.org
Email memberservices@necu.org



Federally Insured by NCUA



Equal Housing Lender

Important to Note:

- Starting with the next issue of Neighborhood News, the newsletter will only be available at your local branch, or you can read it online at www.necu.org. You can find a link to it on the bottom right side of the home page.

Did You Know?

- You can receive a free credit report every year. Reviewing your credit report on a regular basis can help you catch errors, discrepancies and thwart identity theft. For more information, go to www.annualcreditreport.com.
- With gas prices at an all-time high, you can still save a few dollars by finding the gas station nearest you that offers the lowest prices. For the cheapest gas prices in your neighborhood, go to www.gasbuddy.com or www.GasPriceWatch.com.

Upcoming NECU Workshops and Events We're Participating In:

Date	Event	Location
March 13, 6-9PM	First-Time Home Buyers Workshop	NECU - Portsmouth - To register, call 603-422-9951
March 18, 2-3PM	Estate Planning Seminar	NECU - Dover - To register, call 603-422-9953
March 25, 6-9PM	Annual Meeting	Portsmouth Sheraton Harborside. Purchase tickets at any NECU branch. Tickets will go on sale February 20.
April 8, 2-3PM	Estate Planning Seminar	NECU - Portsmouth - To register, call 603-422-9953
April 22, 6-9PM	Continue to Build Your Small Business Workshop - presented by SCORE	NECU - Portsmouth - To register, call 603-422-9951

For the most up-to-date information, visit www.necu.org, Financial Education Center, Events and Workshops. You can also email marketing@necu.org or call us at 1-888-436-1847 to register or to find out more details.