Summer 2006

CLUES

www.cypresswestfcu.org

Cypress West Federal Credit Union

NOTICE

CWFCU Annual meeting is Tuesday, August 22, 4 PM; 943 El Camino Real, South San Francisco

There are two directors nominated for re-election. If you are interested and have business experience, please give Kim Sullivan a call at the credit union office to find out more.

2007 Car Loan Special

APR means Annual Percentage Rate

New: as low as 5.49% APR

***Used* car special** as low as 5.74% APR Call for details: 800.544.6944

Taking responsibility for retirement:

How today's scary headlines can help your retirement plan

First, it was the combined whammy of the tech wreck and the post-9/11 recession that battered our 401(k) accounts. Next was inflation in health care and education costs that further diverted indebted consumers from concentrating on retirement. Now come the headlines that any company facing tough times – or intense shareholder pressure – can pull the rug out from under its retirees hoping for the traditional three-legged stool of retirement – pension, Social Security and savings.

All three legs are in trouble – we aren't saving enough, Social Security is under attack and traditional pensions are disappearing – fast.

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We must indeed all hang together, or, most assuredly, we shall all hang separately.

ATTRIBUTION: Benjamin Franklin (1706–1790), U.S. statesman, writer. Remark, July 4, 1776, at the signing of the Declaration of Independence. Quoted in Ben Franklin Laughing, P.M. Zall (1980).

New Member Appeal

Refer someone who joins the credit union and receive a gift certificate for a box of See's candy. Refer a business where three or more people join and receive a $25 Visa gift card.

Individual members can be anyone in your immediate family or a co-worker of a company already affiliated with the credit union. New businesses need to be within 25 miles of our South San Francisco office. Call for details.

Taking responsibility for retirement

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For retirees facing a sudden loss of pensions and benefits, there are really very few options save going back to work or turning home equity into a personal bank. So the time to start taking on the lion's share of your retirement responsibility is now, whether you're five, 10, or 20 years away from hanging it up, if that's your plan.

One general tip. If you're not really certain where you stand, get some help. If you've never sat down with a financial adviser it may be time to get a second opinion on your retirement readiness. The meeting may yield some ugly news, but it's better to know the options than cross your fingers.

Here are some things you may want to discuss:

What does 'retirement' mean to you? It's arguable that traditional retirement is going to be dead for many of us. So you may want to start thinking about a second part-time career or new ways to earn.

Take care in considering an annuity: Annuities are investments that provide fixed or variable payments to the investor over a set period of time. The collapse of traditional plans is putting new focus on the annuity business, and it's worth talking about with an expert. Despite their popularity, annuities are rarely suitable and often come with high fees and enormous commissions.

Do a retirement spending dress rehearsal: In the last few years before retirement, see how much you can live like you're already retired. Give up the lattes and the pricey clothes and dinners; see if you can live with a smaller car or a used one. Retirement is easier if you can downshift into it, both from a monetary and activity standpoint.

Get in shape -- physically: It may be strange to hear health advice tied to your financial well-being, but it should be one of the first things you consider. That's because the numbers on a bathroom scale, blood pressure monitor or cholesterol report can dramatically affect the cost of your healthcare and insurance premiums going into retirement. You'll find that pre-existing conditions can boost your premiums – or possibly deny you coverage. That's a very ugly surprise going into the years when you're going to need healthcare coverage the most.

Consider a career shift: It may be a bit extreme to switch careers just because a particular employer has better benefits and savings options. But if the job appeals to you and you can make a move without endangering what you've already accrued, why not consider it?

Use your catch-up options: Various IRA and 401(k) options allow you to make additional contributions over standard savings limits above the age of 50. Make sure you know what those additional amounts are and take full advantage of them.

Do an investment inventory: In a 30-to-40-year career, an individual may have gathered bits and pieces of pension benefits and personal savings and investments along the way. Likewise, there might be insurance policies, savings bonds and other small investments that may have slipped one's attention. A re-evaluation of retirement options should begin with a full accounting and reorganizing of all investment and savings assets, preferably in an organized outline that's easy for you and your adviser to access.

Look into health savings accounts if you are self employed: Today, there are strict limits and spending rules for health savings accounts, but if some lobbyists get their way, there might be a day when health savings accounts can become a long-term savings solution similar to a 401(k) plan. Getting into the pre-tax savings habit with health care dollars is a good habit to get into in case there's more flexibility awarded to these accounts in the future.

June 2006— This column is produced by the Financial Planning Association, the membership organization for the financial planning community, and is provided by Jim Frazin, CFP®, AIF®, a local member of FPA.

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Cypress West Debit/ATM Card: No $urcharges on deposits or withdrawals – watch for the Co-op logo. Find ATMs at www.co-opnetwork.org

Notices

The credit union will be closed

Monday, September 4th, 2006 in observance of *Labor Day*

Tuesday, August 22 at 4 PM for the *Annual Meeting*

Your insurance may not cover an advance or charge under your credit line if your disability or death results from a condition for which you have seen a doctor or chiropractor in the six months before the advance or charge.

Call, mail, or visit us

Cypress West Federal Credit Union is a member owned, not-for-profit financial cooperative

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Voice (local)		650.877.0545
Voice (long distance)		800.544.6944
FAX		650.872.2656
Q400	(Talk with our computer)	800.430.3448
Modem	(Dial in to our computer)	650.742.9693
Visa credit lost/stolen		800.325.3678
Visa Debit lost/stolen		800.453.4270
e-mail		info@cypresswestfcu.org

Your Volunteer Board

Elected by and representing you:

- Cay Aki
- Wayne Bentley
- Howard Goldberg
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- Lynsie Temple
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