



EnerGComm

Federal Credit Union

...Your Interest Come First

No. 94

Butte Office: 2100 Harrison Avenue • Butte, Montana 59701 • (406) 782-2139

April 2004

Colstrip Branch: 421 Willow • Colstrip, Montana 59323 • (406) 748-2324

IRAs: Taking the Tax Benefit

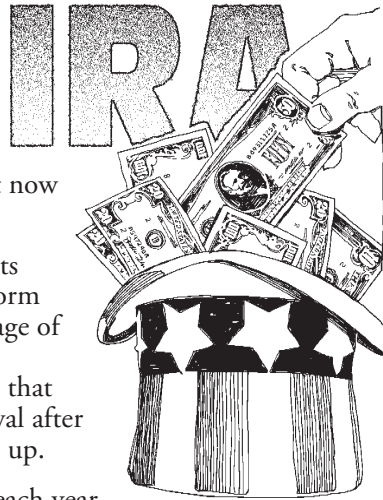
It's human nature not to just want something, but to want it now. But a little experience tells us just because we can't have it now doesn't mean it's not worth pursuing.

So it goes with individual retirement accounts (IRAs). Indeed, for some people, the Tax Reform Act of 1986 took away the upfront tax advantage of IRAs; they're no longer able to deduct IRA contributions. But it didn't take away the fact that IRA earnings grow tax-deferred until withdrawal after age 59-1/2. And that's an advantage that adds up.

Say you deposit \$2,000 at the beginning of each year in an IRA vehicle earning a 5% annual percentage yield. You'd earn at least \$10,000 more in a tax deferred IRA after 20 years than you would in an account with taxable earnings. After 30 years the difference grows to more than \$30,000. At 40 years, you're nearly \$75,000 ahead of the taxed earnings account.

And direct deposit offers an easy, convenient way to make regular additions to your IRA. Just remember, IRAs provide a tax advantage—though you may have to enjoy it later.

Call EnerGComm to get more information on the IRA options we offer.



Youth Make a Difference at Credit Unions

Visit EnerGComm the week of April 18-24 and help us shine the spotlight on youth during National Credit Union Youth Week. EnerGComm is committed to helping young people build a strong foundation for making financial decisions. Stop by our lobbies in Butte and Colstrip for refreshments. We will also have prize drawings for youth age groups.

Our tradition of service and philosophy of self-help make EnerGComm and all credit unions a natural source of leadership in the fight against financial ignorance.

What a great time to talk to your family about spending and saving, whether for a new bike or college! Remember EnerGComm membership is open to all your family members.

For more information, call 782-2139 in Butte, and 748-2324 in Colstrip.



National Credit Union Youth Week 2004

Visit us online! www.energcomm.org

Watch Out for Shoulder Surfers

Automated teller machine (ATM) cards, debit cards, and telephone calling cards all make life easier. But they require good habits when you use them, because they can make things easier for thieves, too.

For example, in airports and other public places, so-called “shoulder surfers” spy on your telephone call by using binoculars. They pick up your calling card number as they observe you entering it, and then use it themselves. Your defense? Simply block the calling pad surface with your body until you’ve entered your number.

These same shoulder surfers can use similar tactics to steal your PIN

number while you’re at an ATM or point of sale register. Use the same strategy at any exposed ATM. At retail locations, when you have the option of paying with plastic, consider having your debit card run as a credit card. This way, you won’t have to worry about shoulder surfers viewing or overhearing your PIN number. Instead, you’ll use your signature to prove your identity. Deductions will still be made from your checking account as though you used your PIN.

Another important point to remember is to trust your instincts. If



you feel uncomfortable or suspect you’re being watched, simply pocket your card and go elsewhere. With the threat of identity theft, you are always better safe than sorry.

Beware of Money-Hungry Credit Counselors

Watch out for firms running credit counseling commercials on TV stations nationwide. The majority of the new firms advertising on TV charge fees and get bonuses from credit card issuers for every name they sign up, according to the South Florida Sun-Sentinel, Fort Lauderdale, Fla.

Some are legally structured as nonprofits but funnel large amounts of money to their own executives in the form of pay, bonuses, and real-estate deals.

A good credit-counseling service will be partially supported by grants and charitable donations, and not depend on debtor’s fees for any more than 60% to 80% of its income. It will cap fees to a debtor at \$25 a month or less. It also will offer free counseling and may have as many as 50% of its clients in counseling alone—not enrolled in a debt repayment plan.

The Consumer Credit Counseling Service (CCCS) is a nonprofit agency supported by community organizations and overseen by local volunteer directors. It’s funded through customer fees, charitable donations, and grants, but mostly through creditor contributions. Most consumers who call a CCCS office don’t pay any fees.

To find the nearest CCCS office, call 800-388-2227 or visit www.nfcc.org.

www.energcomm.org

On-line Banking is Easy with CU@Home

“CU@Home,” your Credit Union’s secure on-line financial service, is now available. Get on-line and manage your personal finances in the convenience of your own home. Go to www.energcomm.org or contact your local Credit Union office to apply for this helpful service.



Get EnerGComm’s
Visa®

with a Low
9.9% APR

Hours

Uptown Butte Office

11:30 a.m. – 3:30 p.m. (M–F)

Harrison Avenue

Office: 8:30 a.m. – 5:00 p.m. (M–F)

Office closed every Tuesday

8:30 a.m. – 9:00 a.m.

Drive Thru: 7:30 a.m. – 5:00 p.m. (M–Th)

7:30 a.m. – 5:30 p.m. (F)

Colstrip Branch

8:30 a.m. – 5:00 p.m. (M–F)

Holiday Closings

Memorial Day— May 31

Independence Day— July 5

