



NEA Federal Credit Union & CWA Local Unions Supplemental Pension & Severance Fund Trust

2020 Interest Rate 2.77%

<http://lusptrust.org>

c/o NEA Federal Credit Union
CWA Local Unions Supplemental Pension &
Severance Fund Trust

CWA LUSP
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For sign up information, please call the Union Hall
(585) 647-1170

Some of the unique features of your Plan

Convenience: Savings by payroll deduction or by lump deposits, and if you are a member of NEA Federal Credit Union, by having money deducted from your savings account at the credit union.

Competitive Return: The current interest rate is generally higher than that which can be earned through banks and similar institutions. The interest rates are negotiated annually with Nationwide and are fixed for the coming year.

The rate for 2018 will be 3.00% and is guaranteed until December 31, 2018.

Safety: Your principal is backed by Nationwide Life Insurance Company, a proven leader in administering savings and retirement plans.... Nationwide administers over \$40 billion in long-term savings assets.

Tax Advantages: Your interest earnings are not currently taxable... the money you would have paid in taxes keeps you working for you.

Flexibility: Your payroll deductions can be as much as you want and can be increases, reduced or stopped at any time without an interest penalty you are not committed... except to yourself!

Why Choose LUSP

- Local Unions Savings Plan was formed in 1978.
- Original Plan funding agent was Mutual Benefit Life. Later Mutual Benefit Life was replaced by Nationwide Insurance Company. Nationwide Insurance is the present funding agent for the plan.
- Nationwide Insurance is a highly rated insurance company. You can verify this fact yourself by checking with the companies that rate insurance companies.
- The assets of the plan are not accessible to the creditors of Nationwide. Nationwide guarantees the principal and interest in the plan.
- The current value of the trust is in excess of 98 million dollars.
- No federal agency insures the assets in the plan
- The interest rates are negotiated annually with Nationwide and are fixed for the coming year.
- The current rate of 2.90% is guaranteed until December 31, 2017.
- This plan is being offered by Local Unions Supplemental Severance and Retirement Fund Trust, not by NEA FCU.
- Members of NEA FCU are, by their membership in the credit union, entitled to take part in this plan.
- Members of the credit union may elect to save periodically through their credit union account, or by making lump sum deposits.
- It is possible to make lump sum deposits as frequently as desired. Minimum amounts \$500. There is no maximum limit.
- Interest earnings on member's accounts are accumulated on a deferred tax basis. This means that no taxes are due until the money is withdrawn.
- There is no requirement to take withdrawals when you reach 70 ½.
- If you withdraw your account before age 59 ½ you may be subject to the 10% TEFRA tax on earnings only. This tax is imposed by IRS.
- Because this is not a tax qualified retirement plan, you may not roll-over any qualified retirement plan money such as 401-k's, or IRA's. Only after tax contributions may be put into these accounts.
- You may withdraw all your account value at any time without penalty (withdrawal fees below).
- You may take a partial distribution once in a 12 month period, and cannot exceed 60 percent of the account balance at the time of withdrawal. There is a small service charge, currently \$25.
- You may take a "Stop" withdrawal at anytime, for 100 percent of the account balance; however, contributions will be postponed for a six month period. Once a Stop withdrawal has been made a residual will be made every 30 days for the six month period, if the contributions are not postponed. There is a service charge, currently \$50.
- Inactive accounts, a Force Out provision has been added, to allow accounts that have been inactive for a six month period, with a balance under \$50, to be paid out to the participant.
- Withdrawal fees, the fee schedule will be 25 dollars for partial, residual, and force out payments, and 50 dollars for any Stop withdrawal.
- You may choose UPS – Overnight Delivery – as your Distribution Payment Preference. You must be present to sign and there is a \$25.00 fee.
- You may designate anyone to be the beneficiary of your account. Your account value will pass to them if you should die.
- You may purchase an annuity when you are ready to retire or leave the account to continue earning at the rate enjoyed by active participants.

Anyone desiring more information, or requesting to join this plan should call 845-367-7625 and ask for the plan administrator. No accounts can be set up with Nationwide before an account is established with the credit union.