

Connection

NC Press Association
Federal Credit Union
November 2023

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Roth Conversions

Fluctuations in the stock or bond markets may lead some retirement savers to consider converting traditional balances to a Roth account. Roth accounts are appealing because of tax-free growth and, in retirement, tax-free withdrawals and no required minimum distributions. These benefits are amplified over time since the converted balance can grow to be a much larger balance that can be withdrawn tax-free. Withdrawals from traditional IRAs, on the other hand, are generally subject to tax as well as minimum distribution requirements.

If you have a traditional IRA or employer-sponsored plan such as a 401(k), you may be able to move all or a portion of those balances to a Roth account by electing a conversion. A conversion can make a Roth IRA accessible to those whose income exceeds the contribution limits. For retirement planning purposes, you may want to maintain some funds in both traditional and Roth IRAs.

A conversion is a taxable event and is irrevocable. This means once the conversion is complete and the converted funds are treated as ordinary income on your tax return, you cannot undo it. For these reasons, you should not take the decision to convert lightly.

While evaluating whether a conversion is right for you, you will need to determine the tax implications. When the market and account value is down, a lower amount is converted and taxed. This allows you to pay

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Member Information

Holiday Closings

Credit Union branches will be closed for the following holidays:

Christmas

Monday & Tuesday
December 25 & 26

New Year's

Monday, January 1

Martin Luther King, Jr. Day

Monday, January 15

For member convenience, all automated services as well as Member Services Support via (888) 732-8562 will be available.

Did You Know?

As a member of NCPAFCU, your immediate family is eligible to join. For more information, visit www.ncpafcu.org.

Important References

NC Press Website: www.ncpafcu.org

Press For Info:

(877) 247-7377 • (919) 278-1001

Member Services Support:

(888) 732-8562 • (919) 857-2150

Free Credit Report:

www.annualcreditreport.com

National Do-Not-Call Registry #:

(888) 382-1222

Opt out of Pre-approved Offers #:

(888) 567-8688



NCPA
Federal Credit Union

Loan Rates

Effective October 27, 2023

Loan Services

APR¹

NEW VEHICLE

Up to 36 months (up to 110% MSRP)	as low as 5.50%
37 - 60 months (up to 110% MSRP)	as low as 6.00%
61 - 72 months (up to 110% MSRP)	as low as 6.25%

New vehicle is defined as prior, current, or upcoming year model with 10,000 miles or less. May finance loan-to-value of 100% MSRP plus an additional 10% for purchase related expenses such as tax, tags, extended warranties, etc.

Example: For a \$25,000 new vehicle loan, your monthly payment will be \$755 for 36 months at 5.50% APR, \$484 for 60 months at 6.00% APR, and \$418 for 72 months at 6.25% APR.

USED VEHICLE

Up to 72 months	as low as 6.75%
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Purchase transactions limited to a maximum loan-to-value of 110% of NADA retail value. Cash out is not permitted on purchase transactions, and cash-out refinance transactions are limited to a maximum loan-to-value of 100% of NADA retail value. Vehicles older than 10 years and/or with mileage in excess of 150,000 at the time of loan origination are not eligible for financing. Vehicles between 6 and 10 years old and/or with mileage in excess of 100,000 are limited to 48-month term financing.

Example: For a \$15,000 used vehicle loan your monthly payment will be \$254 for 72 months at 6.75% APR.

OTHER LOANS

Share Secured Fixed Installment	
Up to 24 months	3.10%

Example: For a \$5,000 share secured loan, your monthly payment will be \$216 for 24 months at 3.10% APR.

From 25 to 48 months	3.50%
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Example: For a \$5,000 share secured loan, your monthly payment will be \$112 for 48 months at 3.50% APR.

Share Secured Fixed Term Note	4.00%
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Open-End Variable Rate Signature	10.75%
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Closed-End Variable Rate Signature	10.75%
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Visa® Credit Card	13.00% ²
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Call or visit your local State Employees' Credit Union branch for further information on loan qualification requirements. Lending is available only to members who are residents in North Carolina, South Carolina, Georgia, Tennessee, or Virginia.

¹APR = Annual Percentage Rate. APR is your cost over the loan term expressed as a rate. Rates are subject to change prior to the completion of the loan. Your actual APR will be determined at the time of disbursement and may vary based on credit score, collateral, and loan terms. If you qualify, we can give you a quote for the current rate and most loan documents can be signed electronically.

²APR for Purchases and Balance transfers as of 7/21/2023 is 13.00%. The rate is variable and subject to change. The APR for Cash Advances is fixed at 18.00%.

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less tax on the transaction, potentially making it an optimal time to convert retirement funds to a Roth account. Additionally, converting at the end of the year allows you to better evaluate the tax implications since your income for the year is known. There is no limit on the amount you can convert to a Roth IRA but choosing a large amount could push you into a higher tax bracket, affect the taxability of your Social Security, or increase your Medicare (Part B or Part D) premiums. If you are considering converting a large balance, doing so gradually over several tax years can lessen the tax burden.

Another consideration is whether you will need to access converted funds. Each conversion must be held in the Roth account for 5 years before it can be withdrawn without a 10% federal tax penalty. If you withdraw before the 5 years, you can be granted an exception to the penalty. The most common exceptions are reaching age 59½ or becoming disabled. Periodically reviewing your retirement plan with a professional is a great way to make sure the timing is right for you.

Your Credit Union can help you weigh the benefits of paying income tax now to have converted funds grow tax-free. If you are interested in discussing how a conversion works into your retirement plan, please contact your local branch to discuss your financial situation with a Financial Advisory Services Specialist.

Investment advisory services offered to North Carolina residents through Credit Union Investment Services. Securities offered through SECU Brokerage Services. Member FINRA, SIPC. Securities products are not credit union deposits. They are not obligations of or guaranteed by a credit union or its affiliates. They are not insured by the NCUA or any federal government agency. Securities products involve investment risks, including possible loss of principal. Investment representatives are also credit union employees, who may accept deposits.

Board of Directors

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Phil Lucey, Secretary

Teri Saylor **Rick Stewart**

Johnny Whitfield **Keven Zepezauer**

For the nearest branch or CashPoints® ATM visit www.ncpafcu.org or call our Member Services Support at (888) 732-8562.



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