

OTIS FCU WINTER NEWS



Stash Your Cash with the 52 Week Savings Challenge!

Are you ready to kick start a healthy savings habit for the New Year? **Take the 52 Week Savings Challenge!** It's simple, fun, and at the end of 2022, you'll have over \$1,000 saved without even thinking about it!

After paying bills, buying groceries, and getting gas it may seem like there is not enough money to stash away. However, this challenge is different! Every week, you will save one more dollar than you did the week before. The first week, you will start by putting away \$1.00 in your savings or club account. The second week, you will put away \$2.00, the third week \$3.00, and so forth. Each week, the amount of money you stash increases by \$1.00 and correlates with the number of weeks you've been challenging yourself to save.

On the last week of 2022, you will put \$52.00 into that same account. By the end of the challenge, you will have saved **\$1,378**. Think about what you could put that money toward—without feeling short-changed. Saving a small amount at a time makes it feel manageable and easy!

Energy Loans That Put Your Finances First

Trade the stress of fluctuating energy bills for a consistent, manageable payment over the life of your OTIS Energy Loan! Simply apply for what you need, and we will cover the rest—from fully financing your energy costs to paying your bills to your fuel vendor. Your Energy Loan will conveniently be broken into equal payments over a one-year term so you'll never be stuck with a large bill that busts your budget this winter.



Call 207-897-0900 for more information, or visit www.otisfcu.coop to apply online today!

*Offer subject to change at any time. Terms and restrictions apply. Approval, rate, and term contingent upon individual creditworthiness. See website for full details.

Let Us Beat or Match Your Auto Loan Rate!



For a limited time, we will beat or match your Auto Loan rate. Less than perfect credit? No worries—we are here to help! Rates will be capped at **5.90% APR** through January 28, 2022. Get a FREE OTIS Yeti Rambler mug just for applying. Call or visit www.otisfcu.coop to get started today!

*APR = Annual Percentage Rate. Offer subject to change at any time. Terms and restrictions apply. Approval, rate, and term contingent upon individual creditworthiness. Floor rate is 1.90% APR for a one-year term. See website for full details.

Make the Most of Presidents' Day Deals!

All holidays have something they are known for. Christmas has trees and lights, Hanukkah has menorahs, and Valentine's Day has conversation hearts. But what comes to mind when talking about Presidents' Day? While often underappreciated (other than the welcome day off for some of us), Presidents' Day is a great time to buy a car! Dealers everywhere offer great sales on both new and used cars on this day, and with the day off from work, it's an excellent time to go shopping!

A great way to make the buying process easier is to get preapproved for an auto loan at OTIS FCU. Known for our low rates on auto loans, we can simplify the process even more by offering online loan applications. President's Day is February 21, so visit OTIS FCU online or in-person and get ready to enjoy your new car smell!



OTIS
FEDERAL CREDIT UNION

Holiday Closings

CHRISTMAS EVE - CLOSING AT NOON

Friday, December 24

CHRISTMAS

Saturday, December 25

NEW YEAR'S DAY

Saturday, January 1

MARTIN LUTHER KING, JR. DAY

Monday, January 17

PRESIDENTS' DAY

Monday, February 21

Seven Things that Make Roth IRAs the Superhero of Savings

The Roth IRA is the Clark Kent of personal retirement accounts. It's so mild-mannered, in fact, that people often overlook it. *"Roth IRA? Um, yeah, sounds familiar. Wears glasses, right?"*

Actually, the Roth IRA has many strengths—so many, in fact, that if you set out to design a superhero savings plan yourself, you probably couldn't do much better. Here are a few reasons to consider opening a Roth IRA at OTIS FCU.



1. Pay now, exult later.

With a traditional deductible IRA, you delay paying income tax until you make withdrawals, typically in retirement. Imagine it: you're just getting used to living on a fixed income when you're hit with tax for a slice of your contributions and what they've earned over the years. By contrast, you'll have paid tax upfront on each Roth IRA contribution and your earnings are usually tax-free (see #4)—so no tax bill when you're retired.

2. Take back your contributions anytime—no tax, no penalty.

Since you've paid tax on your Roth IRA contributions, you can withdraw them anytime. They're yours free and clear, with no penalty for early withdrawal. That can make a Roth IRA a great backup emergency fund.

3. Withdraw earnings free of tax or penalty, on two conditions.

After you take out the amount you contributed, anything additional is considered earnings. No tax or penalty is owed on withdrawn earnings, if (a) your Roth IRA has been open for five years, and (b) you're over 59½.

4. Take out tax- and penalty-free funds to help buy a house.

Say you need to come up with \$30,000 for a home purchase. You've contributed \$25,000 to a Roth IRA that has grown to \$40,000, but you're too young to avoid the 10% penalty for early withdrawal of interest. No problem. Besides taking out your contributions tax-free, you can withdraw up to \$10,000 of earnings with no tax or penalty. Your Roth IRA must have been open for five years, and neither you nor your spouse can have owned a home in the past two years.

5. Use your Roth IRA for college without a penalty.

After pulling out your contributions with no tax liability, you may still need to tap your earnings. As long as the money is used for qualified higher education expenses, you'll owe income tax but no penalty. (Roth IRAs aren't included in considering a child's eligibility for financial aid, either.)

6. Avoid a penalty on some hardship withdrawals of earnings.

The tax penalty is waived on earnings withdrawals for certain financial hardships, such as owing high medical bills, becoming totally and permanently disabled, or needing to pay health insurance premiums after prolonged unemployment. (To make sure your circumstances qualify for a penalty-free withdrawal, you'll want to consult a tax advisor.)

7. Add and withdraw on your own schedule, not the IRS's.

As long as you have work income, you can keep contributing to a Roth IRA. If you never want to take money out, you don't have to. With a traditional IRA you have to stop adding funds when you reach 70½, and from then on you're required to make minimum annual withdrawals.

If you like the idea of more spendable income in retirement and flexible access before you retire, ask us about getting started with a Roth IRA share savings account at OTIS FCU. We think you'll come to appreciate why, behind its modest exterior, your Roth IRA is truly the Plan of Steel.