



Annual Meeting

The annual meeting for this year will be held on Wednesday, **February 9, 2011**, in the Auditorium starting at 12:00 Noon. You will hear about the progress the Credit Union has made during the past year and take part in the elections.

This year's nominees are:

Board of Directors

(4 positions available)

Winnie Yee
Aaron Williams
Karen Wagner
Butch Scullen

Credit Committee

(2 position available)

Joe Uknalis
Jhanel Wilson

Please try to attend if you can, and hear all about our latest year of business.

Dividend Rate

1.25% APR; 1.254% APY

Your Credit Union is working hard to ensure that dividends are being paid in line with the current economic situation. Our responsibility to the entire membership is taken very seriously and adjustments are made based on the welfare of the membership as a whole. At each monthly meeting, the Board evaluates current rates and continually strives to offer a rate that is in concert with good business practices.

Family Members Eligible to Join the Credit Union

Don't forget that immediate members of your family are eligible to join the Credit Union if you are a member. We offer competitive savings and interest rates, convenient access to your money, and loans granted to children with you as a co-signer can help build your child's credit history.



Loan Rates

New and Used Car Loan Sale

Effective till July 31, 2011

We have great rates and payments to meet your budget. See our website at www.arserrc.gov/www/errl to view the most recent loan rates.

Privacy Policy

Information We Collect

We collect nonpublic information about you from some or all of the following sources:

- * Information we receive from you on applications or other forms;
- * Information about your transactions with us, our affiliates, or others; and,
- * Information we receive from a consumer reporting agency.

Information We Disclose

We do not disclose any nonpublic personal information about our members and former members to affiliates or non-affiliated third parties except as required by law.

Our Security Measures

We restrict access to nonpublic information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with Federal regulations to guard your nonpublic personal information.

Tax Time Reminder

It's tax time again! Did you know that our members have the option to have their tax refund direct deposited into their credit union account? The 1040 and 1040 EZ forms have blanks in the "refund" area of the form to complete for direct deposit. In order to receive your refunds via direct deposit, you must fill out the following information on the form:



- The credit union's routing number: **#236083215**
- Your account number
- The type of account: **savings account**

Ten Tasty Tax Tips for 2011

by Kay Bell - Bankrate.com

Tip 1: Adopt a child

OK, this is a major decision and not one to be made simply because of a tax break. But if you are planning to add to your family via adoption, then Uncle Sam offers a nice benefit this year.

As part of the health care reform act, the adoption tax credit was expanded. This credit helps adoptive parents pay some of the processing costs. For 2011, that amount is a maximum of \$13,360 per eligible child. The increased credit applies to the adoption of any child, not just special needs children, and includes international and domestic adoptions.

Even better, the adoption credit is now refundable, meaning the claim could produce a refund if you owe no tax.

However, the adoption tax-break enhancements are only good through 2011 unless Congress extends them.

Tip 2: Watch out for FSA limits

Medical flexible spending accounts, or FSAs, are not as flexible in 2011. These workplace plans allow employees to put pretax money into accounts and then use the money to pay for medical expenses not covered by insurance.

But one category that is no longer eligible for reimbursement is over-the-counter medicines. Beginning Jan. 1, you must get a doctor's prescription to use FSA money to pay for over-the-counter medications. This means you'll need your doctor's official, written order that you take non-prescription cold tablets.

The new over-the-counter regulations are based on the "tax" year, which runs from Jan. 1 through Dec. 31, not a workplace's benefit plan's year. So if your plan year runs from May 1, 2010, through April 30, 2011, any over-the-counter expenses you incur from the beginning of 2011 are not allowed unless you have a prescription, even though your plan year runs for four more months.

Tip 3: Convert to a Roth IRA

Roth IRAs are popular because when the money is withdrawn in retirement, there's no tax due. These accounts are enjoying a new surge of popularity now that there's no longer an income limit on who can convert a traditional IRA to a Roth account.

This conversion option became available last year and also included the ability to spread any taxes due upon conversion over two subsequent tax years. The tax-deferral opportunity is gone. If you convert a traditional IRA to a Roth IRA in 2011, you'll have to pay all conversion taxes this tax year. But for some, it still might be worthwhile to convert to a Roth.

Tip 4: Buy a house

The first-time homebuyer credit is no longer available, but owning a home still offers many good tax breaks.

Other home-related costs, such as property taxes and points paid to get a lower home loan interest rate, also are deductible, as is interest on home equity loans up to \$100,000.

The biggest home-related tax benefit, though, could come when you eventually sell. As long as you live in your home for two of the five years before you sell, you won't owe taxes on up to \$250,000 in profit (or \$500,000 for a married couple filing a joint return) from the sale of your principal home.

And if you did take advantage of the very first first-time homebuyer credit on your 2008 tax return, remember that when you file your 2010 Form 1040 this year, you'll have to start paying back that \$7,500 tax break.

Tip 5: Create a bunching strategy

Medical costs also could become tax savings if you have enough of them to deduct. To claim them as itemized deductions, you must have incurred medical costs of more than 7.5 percent of your adjusted gross income.

Miscellaneous itemized deductions also have a threshold you must meet before the costs can be of deductible value. That amount is 2 percent of adjusted gross income.

These targets mean that if your adjusted gross income is \$50,000, your medical write-offs must be more than \$3,750 and your miscellaneous expenses more than \$1,000 in order to benefit you on your Schedule A.

Tip 6: Give to charity

You don't have to meet a threshold to deduct your charitable donations. As long as you give to an IRS-qualified organization within the tax year, you usually can claim as an itemized deduction the full amount that you give.

Tip 7: Adjust your withholding

It's easy to change your withholding. Just give your payroll office a new W-4. And to make sure that form will get your withholding as close as possible to your eventual tax liability, you can use Bankrate's payroll deductions calculator or the IRS' interactive allowances calculator.

Tip 8: Evaluate educational accounts

College costs increase every year, but tax-advantaged savings accounts can help. The key is determining which plan best suits your needs. Every state offers at least one 529 plan, a savings account set up for a child to help pay for future college costs. Your contributions to a 529 plan are not tax deductible, but the earnings are not taxed. When you take out funds to pay for eligible expenses, the distribution also is tax-free.

The American Recovery and Reinvestment Act of 2009 added computer equipment and services to the list of allowable 529 expenses. But that option expired at the end of 2010.

Tax-free money from another educational savings plan, the Coverdell Education Savings Account, still can be used in 2011 for computer costs. However, Coverdell accounts, which were expanded as part of the Bush tax cuts, lost some other valuable options this year.

If Congress doesn't renew the expired Coverdell provisions, such as the ability to contribute up to \$2,000 a year and use the tax-free money for precollege school expenses, you might want to consider rolling Coverdell money into a 529 Plan.

Tip 9: Estimate your AMT exposure

Although Congress annually enacts changes to the income levels for the alternative minimum tax, or AMT, many middle-income taxpayers still find each year that they are subject to this parallel and costly tax.

This extra tax calculation, in which many commonly claimed deductions are not allowed, is required if you earn more than a certain threshold income. It was created in 1969 to ensure that wealthier taxpayers pay at least a minimum amount of tax.

The main problem with the AMT is that it's not indexed to inflation, hence the need for yearly legislative action to increase the amount of income exempt from the AMT. But just as problematic is that many deductions allowed under the ordinary tax system -- state and local income taxes, real property taxes, miscellaneous deductions and the usual amount of medical expenses -- cannot be used to offset the AMT.

If you're in a higher tax bracket and fear that you might end up paying the alternative tax, talk with your tax adviser sooner rather than later to consider ways to limit your AMT exposure.

Tip 10: Start a business

Whether you operate your own business as your main source of income or as a sideline venture, tax laws offer several ways to save.

The Small Business Jobs and Credit Act of 2010 increased the Section 179 tax deduction. This provision allows you to deduct qualifying expenditures in the tax year in which they are made rather than depreciate it over several tax years. For 2011, the maximum Section 179 deduction is \$500,000.

Other popular business tax breaks also remain in effect. You can write off some of your new business startup costs, as well as many home office expenses if you run your operation from your residence.