

# Memberlink

SUMMER 2023

Your Quarterly Guide To Connecting You



## WCCU Ranked #2 in Nation for “Return of the Member”

This spring, WCCU Credit Union has been ranked #2 nationally for **Return of the Member** in our asset group (294 credit unions) from Callahan & Associates.

The **Return of the Member** metric focuses on the members and considers three core credit union functions:

- Return to the Saver (savings)
- Return to the Borrowers (loans)
- Member Service Usage (product usage)

The calculation indicates how well a credit union serves its members and the impact it has on the community. Credit unions are divided into peer groups by asset range. (WCCU has over \$800 million in assets. Our peer group includes 294 credit unions in the nation with assets from \$500 Million – \$1 Billion).

For 15 years, Callahan & Associates has consistently scored WCCU in the top 10% of credit unions showing our steadfast commitment to our members and communities.

WCCU Credit Union is proud to be recognized nationally as we strive to maintain true to our mission: **Helping You Build a Better Life**. Thank you to our members for your trust and patronage!

*Callahan & Associates is an independent research firm specializing in the credit union industry for 35 years.*

## Welcome New WCCU President, Chris Barnick

On June 5th, 2023 we officially welcomed our new President and CEO, Chris Barnick, into our WCCU Family. In April, Chris was hired by the WCCU Board of Directors.

Chris was born and raised in the small town of St. Peter in rural Minnesota. Both of his parents were teachers and instilled in him the importance of education and giving back to others. He attended Gustavus Adolphus College with the hopes of becoming a History Teacher and Football Coach.

While he graduated with a History Degree, his professional classroom became a financial branch. He learned early in his career that financial education is very important and an excellent way of making a difference in the lives of others. With over twenty years in the financial industry, including nine years at a credit union, Chris has a genuine passion for serving members.

Chris met his wife, Alicia, at Gustavus and together they raised three children: Zachary, is a senior at Grand Canyon University in Phoenix Arizona; Charlie, is a junior and plays football for Gustavus; and Annabelle will be a freshman at Montana State University in Bozeman, Montana this fall. Alicia is a personal trainer, Pilates instructor, and runner who has completed five marathons.

Chris, Alicia and their 13-year-old cockapoo, Casper, are in the process of relocating to Westby.

*Turn to page 3 to read Chris' newsletter column: Connecting with Chris*



# How Taxes Impact Your Retirement - Income Strategy



**Brandi Walton**  
Investment Professional

Retirees face several unique challenges when managing their income, particularly when it comes to taxes. From understanding how taxes relate to Social Security and Medicare to determining when to tap taxable and tax-advantaged accounts, individuals must juggle a complicated mix of factors.

## Social Security and Medicare

People are sometimes surprised to learn that a portion of Social Security income becomes federally taxable when combined income exceeds \$25,000 for single taxpayers and \$32,000 for married couples filing jointly. The taxable portion is up to 85% of benefits, depending on income and filing status.<sup>1</sup>

In addition, the amount retirees pay in Medicare premiums each year is based on the modified adjusted gross income (MAGI) from two years earlier. In other words, the cost retirees pay for Medicare in 2023 is based on the MAGI reported on their 2021 returns.

## Taxable, Tax-Deferred, or Tax-Free?

Maintaining a mix of taxable, tax-deferred, and tax-free accounts offers flexibility in managing income each year. However, determining when and how to tap each type of account and asset can be tricky. Consider the following points:

**Taxable accounts.** Income from most dividends and fixed-income investments and gains from the sale of securities held 12 months or less are generally taxed at federal rates as high as 37%. By contrast, qualified dividends and gains from the sale of securities held longer than 12 months are generally taxed at lower capital gains rates, which max out at 20%.

**Tax-deferred accounts.** Distributions from traditional IRAs, traditional work-sponsored plans, and annuities are also generally subject to federal income tax. On the other hand, company stock held in a qualified work-sponsored plan is typically treated differently. Provided certain rules are followed, a portion of the stock's value is generally taxed at the capital gains rate, no matter when it's sold; however, if the stock is rolled into a traditional IRA, it loses this special tax treatment.<sup>2</sup>

**Tax-free accounts.** Qualified distributions from Roth accounts and Health Savings Accounts (HSAs) are tax-free and therefore will not affect Social Security taxability and Medicare premiums. Moreover, some types of fixed-income investments offer tax-free income at the federal and/or state levels.<sup>3</sup>

## The Impact of RMDs

One income-management strategy retirees often follow is to tap taxable accounts in the earlier years of retirement in order to allow the other accounts to continue benefiting from tax-deferred growth. However, traditional IRAs and workplace plans cannot grow indefinitely. Account holders must begin taking minimum distributions after they reach age 73 (for those who reach age 72 after December 31, 2022). Depending on an account's total value, an RMD could bump an individual or couple into a higher tax bracket. (RMDs are not required

from Roth IRAs and, beginning in 2024, work-based plan Roth accounts during the primary account holder's lifetime.)

## Don't Forget State Taxes

State taxes are also a factor. Currently, seven states impose no income taxes, while New Hampshire taxes dividend and interest income and Washington taxes the capital gains of high earners. Twelve states tax at least a portion of a retiree's Social Security benefits.

## Eye on Washington

Finally, both current and future retirees will want to monitor congressional actions over the next few years. That's because today's historically low marginal tax rates are scheduled to revert to higher levels in 2026, unless legislation is enacted (see table).

## Help Is Available

Putting together a retirement-income strategy that strives to manage taxes is a complex task indeed. Investors may want to seek the help of a qualified tax or financial professional before making any final decisions.<sup>4</sup>

## Tax Rates Scheduled to Rise

Unless legislation is enacted, federal marginal income tax rates are scheduled to rise in 2026.

Current Rate	2026
10%	10%
12%	15%
22%	25%
24%	28%
32%	33%
35%	35%
37%	39.6%

1) Combined income is the sum of adjusted gross income, tax-exempt interest, and 50% of any Social Security benefits received.

2) Distributions from tax-deferred accounts and annuities prior to age 59½ are subject to a 10% penalty, unless an exception applies.

3) A qualified distribution from a Roth account is one that is made after the account has been held for at least five years and the account holder reaches age 59½, dies, or becomes disabled. A distribution from an HSA is qualified provided it is used to pay for covered medical expenses (see IRS publication 502). Nonqualified distributions will be subject to regular income taxes and penalties.

4) There is no guarantee that working with a financial professional will improve investment results

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**Contact WCCU Investment Consultants • (608) 634-7756 • 1333 South Blvd., Baraboo, WI 53913**

Or call your local WCCU office and ask to be connected with Brandi, or Brandi's voicemail at extension 1756. (Calls are forwarded so you may experience a delay or be asked for a name and phone number in the event the call disconnects.)

**Fax us** at 1-888-509-4597 This is a direct and secure fax line to WCCU Investment Consultants.

**Email us** at [info@wccuinvestmentconsultants.com](mailto:info@wccuinvestmentconsultants.com) **Learn more** at [www.wccuinvestmentconsultants.com](http://www.wccuinvestmentconsultants.com)

**Additional Offices** 501 North Main St., Westby, WI • 1302 North Main St., Viroqua, WI • 2403 Hwy 14 East, Richland Center, WI  
820 Viking Drive, Reedsburg, WI • 70 Commerce St., Lake Delton, WI • 138 Northridge Dr., Portage, WI



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# Congratulations 2023 WCCU Scholarship Winners

The WCCU Scholarship program aims to benefit WCCU Members and children of Members by providing funding for expenses at a post-secondary school or academic institution. Launched in 2018, we have awarded \$10,000 each year through our scholarship program.

We are committed to fostering educational opportunities for young people and believe in the importance of supporting our local communities. WCCU would like to thank all of this year's applicants for taking the time to apply for the scholarship award.



Mara Anderson



Emily Andrews



Savannah Britzke



Mallory Delagrave



Lora Hinz



Audra Johnson



Kolten Keller



Brody Konrad



Mikayla McGinnis



Zackry Mlsna



Elise Newkirk



Yair Perez Ruiz



Alana Simonson



Ella Spencer



Talena Sprecher



Riley Talmage



Rachel Wiczorek

If you know a high school age student or are the parent or guardian of a student, check out [wccucreditunion.coop/wccu-scholarships](http://wccucreditunion.coop/wccu-scholarships) for future opportunities.

We wish all of the 2023 Graduates success on their next journey!

*Additional 2023 WCCU Scholarship winners not pictured:  
Lucas Bryan, Alexandra Fitzgerald, and Shelby Nelson*

## Affording Your First Apartment

Getting your first apartment is one of the big milestones in a young adult's life. It can also be a little frightening since you don't know exactly how much money you'll need to get by. But if you follow these easy tips, getting and thriving in your apartment will be a breeze.

**Figure out how much rent you can afford.** Find an apartment that costs between 25-35% of your gross monthly income (before taxes and deductions). Also, make sure the landlord tells you about any additional costs, like pet fees, parking, etc. Those fees will need to be included in your budget. If you find a place that is a bit more than you can comfortably afford, you'll need to get a roommate -- one you can rely on to pay their portion.

**Factor in a security deposit.** Many buildings require that you put down one month's rent as a security deposit. The landlord holds that money until you move out. If you leave the place in good shape, you'll get the money back. But if you don't...

**Create a budget.** Use the 50/30/20 rule: 50% of your after-tax income should be spent on Needs, like rent, insurance, groceries,

utilities; 30% for Wants, like dining out and entertainment; and 20% for savings, including your 401(k) and an emergency fund.

**Get furniture and household items.** But don't get it all at once! Start with the basics, like a bed, shower curtain, pots and pans, etc. See what you can find at thrift shops before buying new.

After you move in, follow some of these tips to keep your living costs down.

- Eat in as often as possible and pack your lunch for work. A typical lunch can cost you between \$8-10 dollars. At 7 meals per week, you'll pay about \$70. Per year, that's \$3,640! Eating in will save you serious money!
- Cancel the cable. The average cable bill is \$65 per month or \$780 per year. That could buy a lot of groceries instead. You can borrow popular cable shows and movies for free from your local library.
- Reduce energy bill. Adjust your thermostat in the winter so it's 10-15 degrees cooler at night. Also turn off energy-hogging devices, like gaming consoles, when not in use.

## Buck's April Coloring Contest During Youth Month



During the month of April Buck invited all of our youngest members to party at each of our branches where they had the chance to win \$50 for their Buck's Club Savings Account.

He also asked all of you to help us decorate each of our locations with a fun coloring sheet. You did not disappoint!! Buck collected hundreds...yes HUNDREDS of coloring sheets that you spent lots of time on.

Since they were all so amazing, he picked 10 random winners to win \$10 each and we contacted them for Buck.

Thank you for brightening our lobbies and having fun during the month of April! To all of our youngest members, be sure to keep saving and bring your spare change in to deposit into your Buck's Club Savings Account!



## Overdraft Privilege

At times, unexpected expenses can leave you with too little cash in your checking account. Having a check returned due to insufficient funds can be a costly, inconvenient and potentially embarrassing experience.

At WCCU we do not encourage overdrafts. As always, we encourage you to manage your finances responsibly. However, we want to save you from the additional merchant fees and possible damage to your credit history that might result if a check is returned. That is why we provide a discretionary service called "Overdraft Privilege" to eligible accounts in good standing. (For example, we typically do not pay overdrafts if your account has not been positive within the last 35 calendar days, you are not making regular deposits, or you have a past due loan, garnishment or levy).

With Overdraft Privilege transactions may be approved, up to the Overdraft Privilege limit, when there are insufficient available funds in your account. A \$20 fee will be charged per presentment against insufficient available funds and will reduce the amount of Overdraft Privilege that is available to you. Please be aware that Overdraft Privilege is intended for inadvertent or occasional use, such as a balance miscalculation. You are encouraged to use other overdraft protection services WCCU offers, such as an automatic transfer from a savings account, as your first line of defense against overdrafts.

**Overdraft Privilege is automatically provided to eligible accounts and there is no charge unless you use the service.** If you prefer not to have Overdraft Privilege on your account, please contact any of our WCCU offices and we will remove it.

### **VERY IMPORTANT:**

*The above protection will cover only checks, ACH items, in person withdrawals and any recurring debit card transactions. If you wish to extend your Overdraft Privilege to cover ATM and everyday debit card transactions, the regulation requires that you give WCCU your consent by "Opting In". To do this, simply contact any of our WCCU Offices or use the Overdraft Privilege widget to enroll yourself. If you have already given WCCU your consent, there is no need to opt in again. Although you do not ever expect to use it, it will give you peace of mind knowing the Overdraft Privilege is there if you need it.*

*\*Subject to WCCU discretion. An Overdraft fee of \$20 per presentment will be charged for overdrafts. There is a cap of \$100 per day on the total amount of fees we can charge you for overdrawing your account. Payment of your overdraft is discretionary and we reserve the right not to pay. WCCU has the right to require payment to bring the account current immediately after an overdraft.*

# Connecting with Chris News & Updates from President Chris Barnick



Dear members of WCCU Credit Union:

I would like to take this opportunity to thank the board and staff for their warm welcome.

I am humbled and honored to have been selected as your new President and CEO. As I reflect on my first few weeks here, I am truly blessed to be part of the WCCU family.

With over twenty years in the financial services industry, I recognize that WCCU has developed a unique culture. I have heard so many wonderful stories and seen many examples of how our staff are genuinely dedicated to helping members and their local communities.

I am excited to build on the strong foundation laid by my predecessors: Orrin Pederson, Larry Anderson, and Kevin Hauser. I am inspired by their commitment and dedication to this credit union.

On a personal note, the joy of my life has been raising our kids with my wife Alicia. I am a coach at heart and was very active coaching my children in football, basketball, baseball, and track. (My daughter, Annabelle, is the dancer in our family and did not approve of Dad instructing her dance routines!)

I was the President of Rosemount Youth Football and coached my nephew Ike's 6th grade football team this last fall. I believe in the importance of giving back and look forward to the possibilities in our local communities.

I also take this opportunity to address you, our members. I believe that everyone deserves the opportunity to reach their financial goals.

I am committed to delivering outstanding member experience, innovative products and services, and an internal culture that exemplifies the credit union movement.

As we begin this journey together, I look forward to getting to know you and finding out how we can better meet your needs. For now, I appreciate your patience and understanding during this transition. Thank you!

Warm Regards,

Chris Barnick, WCCU President



## FRAUD FIGHTER

## What to Know About Romance Scams

Millions of people use online dating apps or social networking sites to meet someone. Instead of finding romance, many find a scammer trying to trick them into sending money or providing personal information. Here are some tips on how to protect yourself:

### What Is a Romance Scam?

You meet someone special on a dating website or app. Soon they want to email, call, or message you off the platform. They say it's true love, but they live far away — maybe for work or because they're in the military. Then they start asking for money. Maybe it's for a plane ticket to visit you, emergency surgery, or something else urgent.

Romance scammers create fake profiles on dating sites and apps, or contact you through popular social media sites. The scammers strike up a relationship with you to build up trust, sometimes talking or chatting several times a day. Then, they make up a story and ask for money.

### The Lies Romance Scammers Tell

Romance scammers adjust their story to what they think will work in each situation. They might say they're living or traveling outside the country, working on an oil rig, in the military, or working with an international organization.



**Scammers will ask you for money.** Once they gain your trust, they'll ask for your help to pay medical expenses (for them or a family member), buy their ticket to visit you, or help them pay fees to get them out of trouble. They may even offer to help you get started in cryptocurrency investing.

**Scammers will tell you how to pay.** All scammers, not just romance scammers, want to get your money quickly and they want your money in a way that makes it hard for you to get it back. They'll tell you to wire money, put money on gift cards and give them the PIN codes, send money through a money transfer app, or transfer cryptocurrency.

Scammers do these things to pressure you into acting immediately, but it's a scam!

### How to Avoid Losing Money to a Romance Scammer

Here's the bottom line: Never send money or gifts to a sweetheart you haven't met in person.

If you suspect a romance scam, stop communicating with the person immediately. Search online for the type of job the person has, plus the word "scammer". Have other people posted similar stories? For example, search for "oil rig scammer" or "US Army scammer". Do a reverse image search of the person's profile picture. Is it associated with another name or with details that don't match up? Those are signs of a scam.

### How to Report a Romance Scam

If you paid a romance scammer with a gift card, wire transfer, credit or debit card, or cryptocurrency, contact the company or your financial right away.

If you think it's a scam, report it to the Federal Trade Commission at [ReportFraud.ftc.gov](https://www.ftc.gov). Be sure to notify the social networking site or app where you met the scammer, too.

## A Vision Before Its Time

Keith Tainter served on the WCCU Board of Directors for 34 years. He retired from the board in 2013. During his tenure, Keith often shared his thought about taking WCCU "on the road".

He would say, "We can't put a building on every street corner or in every town, but if we had some type of vehicle that could travel, we could make it easier for people to do business with us." His keen insight came long before the concept of a Mobile Branch.

Over the years, with advances in technology and security, Keith's vision became real. We started seeing Mobile Branches popping up in several other states. In 2022, WCCU proudly launched the first and only Mobile Branch in the state of Wisconsin.



Prior to his retirement, former President, Kevin Hauser arranged for the WCCU Mobile Branch to visit Keith at Creamery Creek Assisted Living in Viroqua. Keith was thrilled to see and tour the branch. Thank you to Keith's family for helping arrange the visit.

## 2023 Election Results

### Your Votes...Our Board of Directors



Sarah Mani

CU Ballot conducted the 2023 WCCU Board of Directors' election and tabulated the results. The certified results were announced at our Annual Meeting on Tuesday, May 23rd.

Incumbents Sarah Mani and Kevin Larson were reelected and will each serve a three year term.

We take this opportunity to thank our candidates for their willingness to serve and we thank you, our members, for casting your ballots.

**2023 Complete list of WCCU Board of Directors:** Bill Marohl, Monte Torgerson, Kevin Larson, Sarah Mani, Alan Berg, Christine Sloat, and JoAnne Humfeld



Kevin Larson



## Prior to His Retirement, Former WCCU President, Kevin Hauser Received Rare and Prestigious Honor: Induction into the Credit Union House Hall of Leaders

During the 2023 League Convention & Expo held in Wisconsin Dells, a special presentation was made to celebrate Kevin's dedication and years of service to the League.

During the presentation, he was notified that he is being inducted into the Credit Union (CU) House Hall of Leaders located in Washington D.C.

A rare and special honor, Kevin joins only two other Wisconsin Credit Union leaders to ever be inducted into the CU House Hall of Leaders - Royal Credit Union Former President/CEO, Charles Grossklaus inducted in 2012 and Central City Credit Union's Pat Wesenberg in 2014.

CU House Hall of Leaders inductees are nominated by their peers and colleagues. Prior to induction, all nominations are approved by the state league where the credit union is affiliated.

The Credit Union House is a unique venue on Capitol Hill in Washington, DC that serves as a gathering place for members of the credit union movement. Kevin is shown with Brett Thompson, President & CEO of the Wisconsin Credit Union League.

## Hauser Shares Final Message Prior to His Retirement

During his final two weeks, Kevin spent time at each WCCU location as he celebrated with staff and members, reflected on his career at WCCU, and shared these final thoughts, "Over the past 32 years, WCCU has enriched my life with opportunities and friendships. Words cannot begin to express how deeply grateful I am for this incredible journey. Thank you to our communities and members for letting us be a part of your lives. I want to give an even bigger thank you to the staff of WCCU. They do so much for our members and I'm proud to have known and worked alongside them."

We wish Kevin a happy and healthy retirement!



Proudly serving Southwest Wisconsin for over 80 years! Helping you build a better life... feels so right!



**Baraboo**  
(608) 356.5500

**Cashton**  
(608) 654.7580

**Coon Valley**  
(608) 452.2444

**Lake Delton**  
(608) 678.4000

**Portage**  
608.745.1600

**Prairie du Sac**  
(608) 643.0006

**Reedsburg**  
(608) 768.9228

**Richland Center**  
(608) 647.8835

**Viroqua**  
(608) 637.6200

**Westby**  
(608) 634.3118

**WCCU Mobile Branch**

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