

# RED WING CREDIT UNION



## QUARTERLY FOCUS

Happy New Year

2023

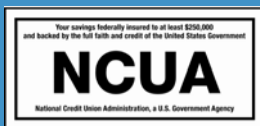
Preview Winter 2023

### INSIDE...

Official Notice .....	2
New Employee .....	2
Real Time Control .....	2
Investment Corner .....	3
Giving Back - CU Forward Day .....	4
GAP Insurance .....	4
Privacy Notice .....	4
Updating Contact Information .....	4
Holiday Closings .....	4

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## THINGS THAT ARE ON OUR MINDS

Heading into 2023 I'd like to share a few words on the economy, technology, and fraud, three topics which have been on our minds recently.

The regional economy was strong throughout 2022 and resulted in stable financial conditions for both the credit union and its members overall. Late in the year, signs of tighter personal finances became more evident as the impact of higher prices caused by inflation and the rapid increase in interest rates by the Federal Reserve started to take effect. The potential for a recession will be a major storyline for 2023. What a recession would mean for home values and the employment rate is something we will be closely watching. Whatever happens, Red Wing Credit Union will be well positioned to help you meet your financial needs.

Technology continues to evolve around banking and payments. The credit union constantly looks for new and innovative ways for you to access and manage your money. Many of the changes in recent years have revolved around payment options where we have introduced contactless card payments, Apple & Google pay and Zelle. Each of these technologies requires enhanced levels of support, something the credit union is working diligently to provide. Other technology we are monitoring for the future include blockchain, the technology behind cryptocurrencies, and the metaverse.

Combating fraud and the impact it has on its victims continues to require more of our resources. The convenience of faster payments and easier movement of money introduces new access points for fraudsters to exploit. The credit union deploys numerous tools to combat fraud including multi-factor authentication, geo-location of transactions, neural network transaction risk scoring and dark web monitoring. These tools are all effective in doing what they are intended to do. However, they cannot prevent fraud resulting from compromised credentials.

Nearly all the fraud losses we saw have been the result of members who had their credentials compromised. Fraudsters have proven to be very skilled at convincing people to share their digital banking credentials. Fraudsters pose as family members or representatives of family members who need help. They pose as support representatives looking to verify online banking credentials. In some cases, fraudsters will invest significant time in building a personal relationship before convincing someone to send money or gift cards. We regularly work with our members to minimize the impact of this type of fraud. Once a victim becomes aware or suspicious of what has happened, they are often reluctant to come forward and ask for help due to feeling embarrassed of being tricked by the fraudsters.

### **We recommend a few simple steps to avoid being a fraud victim:**

- Diligently protect your login credentials. Do not share your credentials with anyone. The credit union will never ask you to verify your credentials.
- Use separate passwords for your online banking than you use for other websites, especially social media sites.
- Use our Card Control App to set card transaction limits, restrict purchases, setup transaction notifications or disable your cards completely.
- Never click on links in texts or emails. Always navigate directly to our website at [www.redwingcu.com](http://www.redwingcu.com) or call our main number directly 651-388-7133 for assistance.

Thanks for taking the time to read about a few things that have been on our minds. We continue to appreciate the opportunity to serve you and are committed to fulfilling our mission to help you improve your financial well-being. As the full chill of winter settles in, I hope the warmth of time spent with family and friends through the holidays will sustain you until the promise of spring begins to blossom.

*Aaron DeJong*  
President/CEO

# OFFICIAL NOTICE

## RED WING CREDIT UNION ANNUAL BUSINESS MEETING

DATE: TUESDAY, MARCH 7, 2023

TIME: 6:30PM

LOCATION: SUMMIT ROOM  
- ST. JAMES HOTEL

The Board of Directors of Red Wing Credit Union extend to you, our membership, a personal invitation to attend the 68th Annual Business Meeting. This meeting will feature various financial reports on the condition of the credit union, as well as the election of directors to serve on the Board of Directors and the Supervisory Committee.

Dessert and beverages will be served promptly. Meeting will commence shortly thereafter. Door prizes will be drawn at random; winners must be present to win.

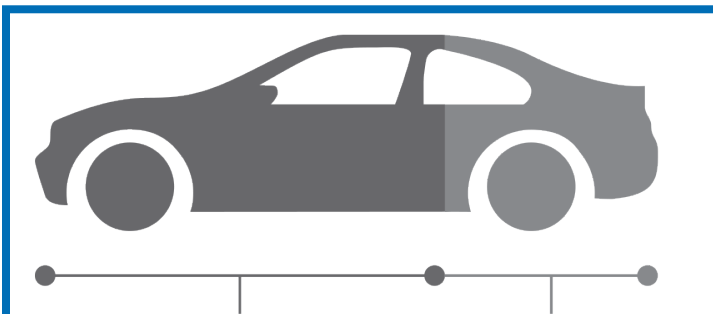
Registration is required at Red Wing Credit Union prior to attending the meeting.



We are excited to announce Jenn Larson has joined the RWCU team as a Financial Service Representative. Jenn comes to us with years of retail experience and said she enjoys learning more about different financial services and working in this fun, new environment. A life-long resident to beautiful Red Wing, she has two children that are her whole world and a cat named Rusty. In her free time, Jenn enjoys reading books, hiking and exploring different state parks with her children and making memories together. Come in and say hello to Jenn the next time you're in the credit union.

## PROTECT YOUR DEBIT AND CREDIT CARD WITH REAL TIME CONTROL

With the speed of life, there are times when you need quick access to manage your finances on the go. Our Red Wing Credit Union Card Control App lets you monitor and control your VISA Debit and Credit Card activity for peace of mind. With the Card Control App, you'll receive real time alerts for PIN and signature transactions; you can set spending limits; monitor activity by category; use location-based controls and alerts; and if you misplace your card, you can turn it 'off' so no transactions will process. All of this from the convenience of your smartphone. Download the RWCU Card Control App, available in the App Store and Google Play. By using your same login credentials as online banking or the RWCU Mobile App, you can begin using the App immediately.



**Car Insurance Payout**  
Your car insurance company pays that actual cash value or market value of your vehicle which may be less than you owe.

**GAP Payout**  
Gap protection pays the difference between actual cash value and the amount you owe on your vehicle.

## DID YOU KNOW?

Did you know we offer GAP and ADR (Automobile Deductible Reimbursement) coverage at the credit union? If you're shopping for a vehicle, this might be an excellent option with the current market prices. While there are plenty of options for GAP/ADR coverage, we recommend doing your research before committing and would love to help answer any questions you might have. Call or come in and speak to anyone from our lending team today!

# INVESTMENT CORNER

by Rich Douglas



## NEW RETIREMENT CONTRIBUTION LIMITS FOR 2023

The Internal Revenue Service (IRS) has released new limits for certain retirement accounts for the coming year. After months of high inflation and financial uncertainty, some of these cost-of-living-based adjustments have reached near-record levels.

Keep in mind this update is for informational purposes only, so please consult with an accounting or tax professional before making any changes to your 2023 tax strategy. You can also contact your financial professional, who may be able to provide information about the pending changes to you.

### INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)

Traditional IRA contribution limits are up \$500 in 2023 to \$6,500. Catch-up contributions for those over age 50 remain at \$1,000, bringing the total limit to \$7,500.

Remember, once you reach age 72, you must begin taking required minimum distributions from a Traditional IRA in most circumstances. Withdrawals are taxed as ordinary income, and if taken before age 59½, may be subject to a 10% federal income tax penalty.

### ROTH IRAs

The income phase-out range for Roth IRA contributions increases to \$138,000-\$153,000 for single filers and heads of household, a \$9,000 increase. For married couples filing jointly, phase-out will be \$218,000 to \$228,000, a \$14,000 increase. Married individuals filing separately see their phase-out range remain at \$0-10,000.

To qualify for the tax-free and penalty-free withdrawal of earnings, Roth 401(k) distributions must meet a five-year holding requirement and occur after age 59½. Tax-free and penalty-free withdrawal can also be taken under certain other circumstances, such as the owner's death.

### WORKPLACE RETIREMENT ACCOUNTS

Those with 401(k), 403(b), 457 plans, and similar accounts will see a \$2,000 increase for 2023, the limit rising to \$22,500. Those aged 50 and older will now have the ability to contribute an extra \$7,500, bringing their total limit to \$30,000.

Once you reach age 72 you must begin taking required minimum distributions from your 401(k) or other defined-contribution plans in most circumstances. Withdrawals are taxed as ordinary income, and if taken before age 59½, may be subject to a 10% federal income tax penalty.

### SIMPLE ACCOUNTS

A \$1,500 increase in limits for 2023 gives individuals contributing to this incentive match plan a \$15,500 stop light.

Much like a traditional IRA, once you reach age 72, you must begin taking required minimum distributions from a SIMPLE account in most circumstances. Withdrawals are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty.

*As a reminder, this article is for informational purposes only. Consult with an accounting or tax professional before making any changes to your 2023 tax strategy. Registered Representative, Securities offered through Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC. Investment Advisor Representative, Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor. Cambridge and Retirement Solutions are not affiliated. Investments not NCUA insured, not credit union guaranteed, may lose value.*

*"These are the opinions of Rich Douglas and not necessarily those of Cambridge, are for informational purposes only, and should not be construed or acted upon as individualized investment advice. Diversification and asset allocation strategies do not assure profit or protect against loss. Indices mentioned are unmanaged and cannot be invested into directly. Past performance is not a guarantee of future results."*

# Giving Back

## CU FORWARD DAY

On October 10th, Red Wing Credit Union staff through service and giving back, participated in CU Forward Day, a statewide initiative of Minnesota credit unions spreading kindness in the communities they serve. The day is held on Columbus Day, a federal holiday observed on the second Monday in October. A total of 66 credit unions in Minnesota participated in CU Forward Day with over 3,000 volunteers putting in more than 13,000 hours of work. The staff at Red Wing Credit Union volunteered to work on two separate projects; one group helped with cleanup at Burnside Cemetery, and another group of volunteers helped do a deep clean at the Red Wing Food Shelf. We accomplished a lot in one afternoon and look forward to future opportunities to give back!



## PRIVACY NOTICE

Federal law requires us to tell you how we collect, share, and protect your personal information. Our privacy policy has not changed and you may review our policy and practices with respect to your personal information at: [www.redwingcu.com](http://www.redwingcu.com), or we will mail a free copy upon request to you. Please call us at 651-388-7133.

## PLEASE UPDATE YOUR CONTACT INFO!

Do you have a new email address or cell phone? Have you recently moved? Did you get rid of your home phone number? Keep your contact information up to date so we can reach you if important questions or issues come up. It's also good to review your beneficiary information and keep it current. Please call us at 651-388-7133 to update your info today!

## 2023 HOLIDAY SCHEDULE

New Years Day .....	Monday, January 2
Martin Luther King Day .....	Monday, January 16
Memorial Day .....	Saturday, May 27
.....	Monday, May 29
Independence Day .....	Tuesday, July 4
Labor Day .....	Saturday, September 2
.....	Monday, September 4
CU Forward Day .....	Monday, October 9
.....	closing at Noon
Veteran's Day .....	Saturday, November 11
Thanksgiving Day .....	Thursday, November 23
Christmas Day .....	Monday, December 25