RED WING CREDIT UNION

DECEMBER FOCUS

OFFICIAL NOTICE

Red Wing Credit Union Annual Business Meeting

Save the Date

DATE: TUESDAY, APRIL 14, 2026
TIME: 6:30 PM
LOCATION: ST. JAMES HOTEL - SUMMIT ROOM, RED WING

The Board of Directors of Red Wing Credit Union extend to you, our membership, a personal invitation to attend the 71st Annual Business Meeting. By attending, members have the opportunity to exercise their rights as owners of the credit union. That's a key difference in what sets us apart from other local financial institutions – in addition to benefiting from the excellent financial services we provide; your membership entitles you to participate in electing our directors. This meeting will feature various financial reports on the condition of the credit union, highlight yearly business achievements, 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 prior to attending the meeting. Call the office (651-388-7133) to RSVP or register on our website.

Giving back!

CU FORWARD

On October 13, Red Wing Credit Union staff participated in CU Forward Day, a statewide initiative of Minnesota credit unions spreading kindness in the communities they serve through service and giving back. The day is held annually on the second Monday in October. A total of 58 credit unions in Minnesota participated in CU Forward Day with over 4000 volunteers putting in more than 18,885 hours of work. The staff at Red Wing Credit Union split into groups and volunteered around the community, providing help to Goodhue County Habitat for Humanity, Food Shelf, Annadees Closet, Hope Coalition, Deer Crest, and Care Clinic. We accomplished a lot in one full day and enjoyed our time working with such wonderful local organizations. We are already looking forward to next year's 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, or we will mail a free copy to you upon request. Please call us at 651-388-7133.

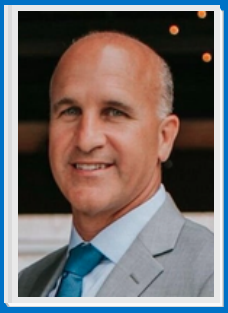
651-388-7133
3303 North Service Drive • Red Wing
www.redwingcu.com

EQUAL HOUSING OPPORTUNITY

Your savings federally insured to at least $250,000 and backed by the full faith and credit of the United States Government
NCUA
National Credit Union Administration, a U.S. Government Agency

INVESTMENT CORNER

by Rich Douglas



CHOICES FOR YOUR 401(K) AT A FORMER EMPLOYER

One of the common threads of a mobile workforce is that many individuals who leave their job are faced with a decision about what to do with their 401(k) account.[1] Individuals have four choices with the 401(k) account they accrued at a previous employer.[2]

▶ CHOICE 1: LEAVE IT WITH YOUR PREVIOUS EMPLOYER

You may choose to do nothing and leave your account in your previous employer's 401(k) plan. However, if your account balance is under a certain amount, be aware that your ex-employer may elect to distribute the funds to you. There may be reasons to keep your 401(k) with your previous employer —such as investments that are low-cost or have limited availability outside of the plan. Other reasons are to maintain certain creditor protections that are unique to qualified retirement plans or to retain the ability to borrow from it if the plan allows for such loans to ex-employees.[3] The primary downside is that individuals can become disconnected from the old account and pay less attention to the ongoing management of its investments.

▶ CHOICE 2: TRANSFER TO YOUR NEW EMPLOYER'S 401(K) PLAN

Provided your current employer's 401(k) accepts the transfer of assets from a pre-existing 401(k), you may want to consider moving these assets to your new plan. The primary benefits to transferring are the convenience of consolidating your assets, retaining their strong creditor protections, and keeping them accessible via the plan's loan feature. If the new plan has a competitive investment menu, many individuals prefer to transfer their account and make a full break with their former employer.

▶ CHOICE 3: ROLL OVER ASSETS TO A TRADITIONAL INDIVIDUAL RETIREMENT ACCOUNT (IRA)

Another choice is to roll assets over into a new or existing traditional IRA. It's possible that a traditional IRA may provide some investment choices that may not exist in your new 401(k) plan.[4]The drawback to this approach may be less creditor protection and the loss of access to these funds via a 401(k) loan feature. Remember, don't feel rushed into making a decision. You have time to consider your choices and may want to seek professional guidance to answer any questions you may have.

▶ CHOICE 4: CASH OUT THE ACCOUNT

The last choice is to simply cash out of the account. However, if you choose to cash out, you may be required to pay ordinary income tax on the balance plus a 10% early withdrawal penalty if you are under age 59½. In addition, employers may hold onto 20% of your account balance to prepay the taxes you'll owe. Think carefully before deciding to cash out a retirement plan. Aside from the costs of the early withdrawal penalty, there's an additional opportunity cost in taking money out of an account that could potentially grow on a tax-deferred basis. For example, taking $10,000 out of a 401(k) instead of rolling over into an account earning an average of 8% in tax-deferred earnings could leave you $100,000 short after 30 years.[5]

1. In most circumstances, you must begin taking required minimum distributions from your 401(k) or other defined contribution plan in the year you turn 73. Withdrawals from your 401(k) or other defined contribution plans are taxed as ordinary income, and if taken before age 59½, may be subject to a 10% federal income tax penalty.
2. FINRA.org, 2024
3. A 401(k) loan not paid is deemed a distribution, subject to income taxes and a 10% tax penalty if the account owner is under 59½. If the account owner switches jobs or gets laid off, any outstanding 401(k) loan balance becomes due by the time the person files his or her federal tax return.
4. In most circumstances, once you reach age 73, you must begin taking required minimum distributions from a Traditional Individual Retirement Account (IRA). Withdrawals from Traditional IRAs are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty. You may continue to contribute to a Traditional IRA past age 70½ as long as you meet the earned-income requirement.
5. This is a hypothetical example used for illustrative purposes only. It is not representative of any specific investment or combination of investments.

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