

# Spotlight

A Publication of Cedar Point Federal Credit Union

February 2013

## Define Your Retirement Before You Set the Date

As you approach retirement, do you plan to work longer than your full retirement age? Before you decide on the date of your retirement, take some time to define the look of your retirement.

Think about the intangible benefits you get from work, such as routine, camaraderie, a sense of fulfillment, and being needed. What will it take to stay engaged and energized once that's gone?

Having this picture in mind makes it easier to decide on your retirement date. As you do, avoid five mistakes rookie retirees often make:

- **Working longer than you need to**—If you're financially ready to retire, you might think that an extra year will pad your earnings and give you more security. As you do your calculations remember that one more year of work is also one year closer to the inevitable deterioration of your mind and body.
- **Retiring debt without doing the math**—In a perfect world, you'll retire debt-free. This is a sensible goal, but be careful. Today's interest rates are ultra-low. When you retire and have less earned income, will you be able to qualify for a new loan if you should need one—and at such great terms? Some pre-retirees apply for a personal or home equity line of credit to carry them into retirement. This can provide a cushion for future expenses and emergencies.
- **Being too frugal**—Make sure you haven't set yourself up to have more money than time left to enjoy it. If traveling is important to you, will you have the eyes, ears, mind, and knees to enjoy the trips? Likewise, before you undertake expensive home improvements, make sure they're going to benefit you, not just some future owner.
- **Thinking you need to leave a lot to the kids**—Your descendants will appreciate any money you leave them, but, if you live to your mid-to-late 80s, your children will be at least middle-aged and your grandchildren could be adults. Consider the value of giving them money now, when they probably really need it and when you'll be able to watch them enjoy it.
- **Putting off Social Security benefits to age 70**—While conventional wisdom says this might be the best choice, be sure to think through the ramifications.

First, you must live to age 80 or so for the larger Social Security benefit to make up for all the postponed payments. Estimate how long you will live by visiting [ssa.gov](http://ssa.gov) and searching "Life Expectancy Calculator." You can also find one on our website - <http://www.cpfcu.pfyfn.com/Life-Expectancy.c124.htm>. Or go to [www.cpfcu.com](http://www.cpfcu.com) and choose "Planning Calculators" from the "CPFS, Inc." pull down menu.

Second, waiting to take Social Security means no monthly checks for the duration. Are you prepared for this change—after earning a regular paycheck for about 40 years? A Social Security check provides regular, predictable payments that help smooth your transition into retirement.

Third, unless you have other, sufficient income, living off of savings instead of Social Security means having less money to leave your heirs, for your own emergencies, or to invest if the opportunity arises.

As you plan your retirement date, talk to us at Cedar Point Federal Credit Union. We can help you plan a financially successful retirement. Make an appointment to talk with one of the registered representatives by calling 301-863-7071 extension 8427 for Dora or 8432 for Michele.

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# LESSONS over lunch

*presented by*

## Cedar Point Financial Services, Inc.

A wholly owned subsidiary of Cedar Point Federal Credit Union

*Seminars are free and open to the public.*

*You are invited to bring your lunch to the 11:00 am sessions.*

*Drinks and snacks will be provided at all sessions.*

### **Retirement Planning presented by Colleen Blundell**

*of Cedar Point*

*Financial Services, Inc.*

Thursday, February 21, 2013

Evening Session - 6:00 pm

### **Investment Strategies presented by Colleen Blundell**

*of Cedar Point*

*Financial Services, Inc.*

Thursday, April 18, 2013

11:00 am

### **Estate Planning Basics presented by Joann Wood**

*of The Law Office*

*of Joann M. Wood*

Wednesday, May 15, 2013

Evening Session - 6:00 pm

*plus*

### **Understanding College Funding Options**

Thursday, June 27, 2013

6:00 or 11:00 - you tell us - *Vote Online!*

Headquarters Office • 22745 Maple Road, Lexington Park

Reservations are requested. Please call Dora (ext 8427) or Michele (ext 8432)

**301-863-7071**

Or sign up online at [www.cpfcu.com](http://www.cpfcu.com)

## **Watch for Signs of Elder Financial Abuse**

The problem of financial swindles targeting senior citizens is very real and is getting worse. Research indicates that most often the perpetrators are family members or caregivers, with elderly women more likely to be targeted than men.

If you provide care for an older individual, watch for these signs that financial exploitation or abuse may be going on:

- Large, unexplained withdrawals from accounts, or transfers between accounts that the older person cannot explain
- Suspicious signatures on checks or other documents
- Lifestyle not consistent with income or assets, or significant changes in spending patterns
- Notices to disconnect utilities
- Anxiety about personal finances
- Missed appointments or unpaid bills
- Abrupt changes to a will or power of attorney
- Unusual transfer of assets to others

If you suspect financial exploitation, visit the National Adult Protective Services Association website at [www.napsa-now.org/](http://www.napsa-now.org/) and click on your state to find your local office and report abuse.



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by  
NCUA**

### **Information for our members who hold non-dividend bearing checking accounts.**

Effective January 1, 2013, legislation that created unlimited deposit insurance from the NCUSIF and from the Deposit Insurance Fund for non-interest-bearing checking accounts, expired, per Dodd-Frank guidelines, rolling back coverage to \$250,000 per account.