

YOUR ONE SOURCE



www.starone.org | 866.543.5202 | Winter 2010

Planning Ahead: Retirement Plans in 2010

Roth Conversions

There's great news ahead regarding Roth conversions in 2010. Starting this year, the \$100,000 income ceiling to convert a Traditional IRA to a Roth IRA was eliminated. This provides new opportunities for those who have been patiently making contributions to Traditional IRAs (and unable to contribute to Roth IRAs due to income restrictions) to convert those assets to a Roth. Plus, conversion will be available to those who are married but file their taxes separately. The great news doesn't stop there – if you convert in 2010 you may elect to report the taxable conversion in 2010 or delay reporting and split the taxation between 2011 and 2012.*

Conversion Benefits

A key difference between Traditional and Roth IRAs is that qualified distributions of Roth IRA earnings are tax-free.

Roth IRAs offer other advantages over Traditional IRAs, among them:

- Earnings grow untaxed and can be withdrawn tax-free as long as the account holder is at least 59½ and has held the account for at least five years.**
- There is no age limit for making contributions as long as the individual has earned income.
- Unlike Traditional IRAs, Roths have no required minimum distributions at age 70½.
- It's a vehicle to leave substantial assets to the next generation.

Should You Convert?

Before deciding whether to convert to a Roth IRA, consider your current tax bracket, whether you have the money available to pay the taxes on the conversion and what your expectations are for your tax bracket in retirement. In addition, consider the length of time before you need to start withdrawing the money for expenses.

Generally, when you convert, you'll face an immediate tax hit. However, anyone who converts from a Traditional to a Roth IRA in 2010 may choose to have half the converted amount taxed in 2011 and the other half in 2012, thus spreading out the tax bill.

Update Your Retirement Beneficiaries

In light of all these changes, it's a good time to review your retirement plan beneficiaries and make changes as needed. It's important to make sure your beneficiaries are up-to-date and documented to ensure your intended heirs (and not an outdated beneficiary) inherit the assets.

Planning your IRA contributions and arranging your beneficiaries requires plenty of careful consideration. Star One offers you help in navigating all the alternatives. For assistance in deciding what options might be right for you, please visit www.starone.org or call us at **(866) 543-5202** or **(408) 543-5202** and ask to speak to one of our IRA Specialists.

* If assets converted in 2010 are subsequently distributed from the Roth IRA in 2010 or 2011, the two-year taxation will be accelerated by the distribution amount.

** Premature withdrawals are subject to income tax and a 10% IRS penalty.

**Learn more about the benefits
of IRAs at www.starone.org.**



Low-Cost Student Loans Available at Star One

If college is on the horizon and your savings have fallen short, explore a student loan through Credit Union Student Choice (CUSC), available to Star One members.

Through CUSC, Star One members have access to affordable financing options, with rates and fees that are lower than those of typical private student loan lenders.

Benefits of CUSC Loans

As a Star One member, you or a family member can take advantage of these CUSC loan benefits:

- Zero origination fees
- Lower interest rates
- Deferment of principal and interest while in school
- Flexible repayment terms
- Graduated repayment to make monthly payments more manageable

Once approved, students can borrow from \$1,000 up to \$30,000 per year based on the cost of attendance. The aggregate maximum (total



amount you can borrow throughout your college career) is \$75,000. Funds can often be disbursed within seven days of loan approval.

Who Is Eligible?

You must be a member of Star One and be enrolled at least half-time in a degree-granting program. In addition, having a cosigner is highly recommended as it may improve your chances of meeting the approval criteria and help you qualify for a lower rate.

To learn more about eligibility and terms, visit www.starone.org and select "Student Loans" from the "Loans" main menu.

Average Cost of Higher Education – 2009-2010 School Year

	Private Four-Year	Public Four-Year In State	Public Four-Year Out of State	Public Two-Year
Fees/Tuition	\$26,273	\$7,020	\$18,548	\$2,544
Books and supplies	\$1,116	\$1,122	\$1,122	\$1,098
Room and board	\$9,363	\$8,193	\$8,193	\$7,202

Source: The College Board, www.collegeboard.com. These are estimates only based on the median and do not represent your actual costs.

New Year, New Vehicle?

If you're ready to buy a new or used vehicle, be sure to check out the car-buying resources available to you as a member of Star One.

CarSMART is loaded with tools and information to help you buy a car. Through CarSMART, you can be preapproved online, find a car, locate a dealership and drive away at one of the lowest rates around. Visit www.starone.org and click on the CarSMART link to get started.

Autoland can help you find a new or used car. Searching for a car can be a time-consuming and frustrating process. Autoland's experienced consultants have helped more than 200,000 people find and finance their cars. Just call an Autoland Consultant at **(800) 234-6999** for expert auto location service, advice, help with trade-ins and facilitation of Star One financing.

Questions? Visit www.starone.org or call **(408) 543-5202** or **(866) 543-5202** today. We'll help get you on the road to finding your new car.



Free Tax Assistance Is Available

Don't struggle with your taxes alone! If your income is low to moderate, Star One Credit Union wants to give you a hand. You can get free help preparing your tax return if your income is \$49,000 or below.

Star One has teamed up with the Internal Revenue Service (IRS) to provide free tax assistance for taxpayers who cannot afford professional help. Volunteers professionally trained and certified by the IRS from the Volunteer Income Tax Assistance (VITA) program will help you file your return. They may be able to show you how to save money on your taxes by taking advantage of available tax credits. They can help you determine whether you qualify for the Earned Income Tax Credit, Child Tax Credit or Credit for the Elderly, among other special credits.

The VITA program also encourages you to file your tax return electronically. If you have a refund coming, filing electronically and using direct deposit for your refund is the fastest way to get your money.

Get assistance filing your tax return to help ensure you receive any tax refund that's due to you. VITA volunteers will be available on Wednesdays only from 4 – 7 p.m. starting February 3 through April 14 at our Blossom Hill branch. To locate the nearest VITA site, call **(800) 829-1040**.

Streamline Your Financial Life with FinanceWorks™

Keeping track of information from multiple financial institutions can be overwhelming, but it doesn't have to be.

Star One is making it easier for you with FinanceWorks, a financial management solution powered by Quicken®. And it's free for Star One members.

How FinanceWorks ... Works!

If you're a Star One Online Banking user, FinanceWorks can help you view your account information from more than 5,000 financial institutions and credit card sites with a single, secure login. Maintain your budget, manage your accounts, ensure your bills are paid on time and see where your money is going – all through the Star One Web site.

- Add accounts to your FinanceWorks profile with a few mouse clicks.
- View your "big picture" financial situation at one location – account balances, loan balances and more.
- Project your cash flow to help prevent shortfalls.
- Categorize your spending to get better control over your budget.
- Manage bill-paying by setting up e-mail reminders to avoid missed payments and late fees.

To learn more about this new feature and system requirements, go to www.starone.org and select "FinanceWorks FAQs" in the Online Banking section. To set up FinanceWorks, log on to Online Banking at Star One. Then select "FinanceWorks" from the "Account Access" menu. Start taking control of your financial life today with FinanceWorks – free from Star One.

Get Your Refund Faster with Electronic Payments

For Internal Revenue Service and Franchise Tax Board tax filers requesting refunds or payments electronically, please provide the Star One routing number **(321177968)** and the 14-digit account number found on the bottom of your personal checks, or call Star One Member Phone Service at **(408) 543-5202** or **(866) 543-5202** for the account number to be used on your tax return form.

Note: Number highlighted in blue is the actual Star One Credit Union Routing Number. The 14-digit Account Number highlighted in yellow is for example purposes only, and is not the actual sequence found on your personal checks.



Winter Travel Safety Tips



When preparing for a trip, what you leave at home may be as important as what you take with you. These travel tips may help keep you, and your credit, safe.

- Leave your itinerary with family or friends. Also, please notify Star One of your travel plans and best contact information by calling a representative at **(408) 543-5202** or **(866) 543-5202**. Overseas transactions and unusual spending patterns are the first indicators of potential fraud. Notifying us of your travel plans ahead of time can significantly reduce chances of having your card temporarily restricted until transactions are able to be validated.
- Make copies of the credit cards you'll be taking and the data page of your passport. Leave a set with family, and take copies with you to lock in the hotel safe in case of loss or theft.
- Clean out your purse or wallet, removing nonessentials.
- Pack a list of contact numbers for Star One and any other credit card companies in case of loss or theft.

Money Matters

Your Star One Visa® Debit and Credit cards are efficient means of paying for vacation expenses. Consider taking both cards, keeping one as a backup card in a separate, secure location. Using your Star One Visa Debit card at ATM locations can be an easy way to obtain foreign currency, often at a better exchange rate. If you are using an ATM card, please remember that some foreign ATMs will try to debit a checking account and

your card may not work. We recommend that you replace your ATM card with a Visa Debit card that is tied to your checking account. Please review your Visa Debit Card Agreement and Disclosures for details.

Some cash is necessary, but travel experts advise that you carry only as much as you can afford to lose. If you need to carry more, consider dividing it, keeping some in your wallet and the rest in your shoe or a travel belt worn under your clothing.

Tourist Traps

Visitors often make easy targets for thieves. A few simple precautions may make you less vulnerable.

- Be vigilant in crowds and on public transportation where pickpockets are on the lookout for distracted tourists.
- If you carry a purse, be sure it zips or otherwise closes at the top, and wear it close to your body.
- Don't carry your wallet in your back pocket.
- Use the hotel's safe for locking up valuables.
- Never resist a mugger. Nothing in your purse or wallet is worth getting hurt for.

If your Star One card is lost or stolen, call Star One toll free at **(866) 543-5202**. If you are traveling internationally, call us collect Monday through Friday from 7 a.m. – 11 p.m. PST and weekends from 10 a.m. – 6 p.m. PST at **(408) 543-5202**. After-hours calls for lost or stolen cards will be directed to Visa, or you may dial Visa directly at **1-800-VISA-911** or collect at **(410) 581-9994**. Please have your card number ready.

Member Phone Service

(408) 543-5202 or
(866) 543-5202 toll free
Fax: (408) 543-5203

Star One Representatives are available 7 a.m. – 11 p.m. Mon. – Fri., and 10 a.m. – 6 p.m. on weekends and most holidays. For your convenience, we use a Shared Branch call center to handle after-hours calls. They can assist you with general questions and basic transactions.

Branch Hours:

Mon., Tues. & Thur. 9 a.m. – 5 p.m.
Wed. 10 a.m. – 5 p.m.
Fri. 9 a.m. – 6 p.m.

Sunnyvale, CA

Enterprise Branch
1080 Enterprise Way, #150
Enterprise Way & 11th Ave

Cupertino, CA

De Anza Branch
10991 N. De Anza Blvd.
De Anza Blvd. & Homestead Rd.

San Jose, CA

Blossom Hill Branch
1090 Blossom Hill Rd.
Blossom Hill Rd. & Almaden Expwy.

Palo Alto, CA

El Camino Branch
3903 El Camino Real
El Camino Real & Ventura Ave.

Web Site

www.starone.org

Mailing Address

P.O. Box 3643
Sunnyvale, CA 94088

E-mail

service@starone.org

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

We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.

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Go Green with Online Statements

Want to help the planet and yourself? With Online Statements, you can:

- Go green by reducing paper waste and saving the energy required to print and deliver paper statements.
- Help cut Credit Union costs.
- Enjoy convenient, secure online access to your account information – sooner than if you received your statement in the mail.

Plus, your Online Statement features a clickable account summary and links to check images. You can print out a copy if you prefer, or save it to your computer for future reference.

Log into Online Banking at **www.starone.org** and sign up for Online Statements today.

Holiday Schedule

Star One branches will be closed to observe:

New Year's Day – January 1, 2010
Martin Luther King Jr. Day – January 18, 2010
Presidents Day – February 15, 2010