



# HERITAGE SOUTH

YOUR COMMUNITY CREDIT UNION

SPRING 2020 NEWSLETTER • WWW.MYHSCU.COM

## KIDS' BLAST 2020

**MAY 15!**

**Join Kids' Club today so  
you don't miss out.**

Your child's social security card and  
a \$5 deposit are all that is required.  
Visit your local branch for more  
information.

## SUNSHINE SATURDAY

**May 9th, 2020**

Come out and support The ARC  
of South Talladega County.

## HOLIDAY CLOSINGS:

**Memorial Day**  
Monday, 5/25/20

**Labor Day**  
Monday, 9/7/20

**HERITAGE SOUTH**  
**CREDIT UNION**  
**2020**  
**APRIL 17-18**

**RATES AS LOW AS 1.25%<sup>\*APR</sup>  
UP TO 60 MONTHS!**

**Receive car sale loan rates on new purchases from April 1st-18th  
and refinancing rates the entire month of April!**

Join us as we partner with local dealers for our **10TH ANNUAL** Car Sale Event. We will have a team onsite to assist with questions and financing. The two-day event is happening at our main office on HWY 280 - but don't forget we can also help with your auto re-financing needs at any of our five locations from April 1-30. Trust us - you don't want to miss this opportunity! Get pre-approved today by calling, visiting us online, or coming by one of our branches.

### 10 DEALERS / 250+ VEHICLES



APR = Annual Percentage Rate. Rates as low as 1.25% on new purchases April 1st-18th. Special refinancing rates available all month. All loans subject to credit approval. Rates, terms, and conditions subject to change without notice. Other restrictions may apply. HSCU does not warrant, guarantee, or insure any product or service offered or provided by any dealership. HSCU and participating dealers are separate entities. Contact the Credit Union for further information. Federally Insured by the NCUA.

# Be Prepared for the Unexpected with These Products

## **GAP**

Can you imagine having a car that you've financed declared a total loss? GAP Insurance is a type of auto insurance that car owners can buy to protect themselves against losses that can arise when the amount of compensation received from a TOTAL loss does not fully cover the amount the insured owes on the vehicle's financing. HSCU is here to help protect you, so please discuss with one of our Loan Officers on your next automobile purchase to see if you would qualify.

## **Warranty**

Should you get a Warranty on your next auto purchase? Automobile repairs are very expensive, and we have an extended service contract that will protect our Members from high repair costs. Please discuss with one of our Loan Officers on your next automobile purchase to see if you would qualify.

## **Credit Life/Disability Insurance**

HSCU offers credit life and credit disability that can protect your loan. Credit life pays the remainder of your loan in the event of death and if you are unable to work, credit disability will pay your monthly payments if you become totally disabled and unable to work. HSCU is here to help protect you during these times, so please discuss with one of our Loan Officers the next time you apply for a loan to see if you would qualify.

## **Credit Involuntary Unemployment Insurance**

HSCU offers Credit Involuntary Unemployment Insurance in the event you are unable to work due to result of involuntary unemployment. Under this plan, your payments could be paid while out of work to avoid delinquency or a loss. Please discuss with one of our Loan Officers the next time you apply for a loan to see if you would qualify.

# HOW TO SAVE MONEY While Budgeting

**Always compare prices before making a purchase.** Make a commitment to comparison shop for essentials and look for coupons and sales online or in your local newspaper. Then, buy the items with the best value.

**Don't stop there.** Take the difference of the amount you paid and what you would normally spend on the item and put that money into a savings account. Even if it's just a few dollars per shopping trip, those small sums will add up.

**You can't spend what you don't see.** If you can, automatically set money aside each payday.

**Utilize Direct Deposit.** You can set up a direct deposit from your paycheck into a dedicated savings account and build your budget based on what's left.

**Allocate money for savings prior to paycheck deposit.** Many employers can split your paycheck deposit into a checking account and a savings account. Or if you're self-employed, schedule automatic transfers from your main checking account to your purpose-based savings accounts on a recurring basis.

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## EMPLOYEES of the QUARTER



**January**  
**Brent Earnest**

Brent went the extra mile by recognizing his member's 19th birthday and sending him a message via Bano wishing him a Happy Birthday and offering his time to meet with him about building his credit profile. Great job, Brent!



**February**  
**Jessica Sawyer**

Jessica has consistently gone the extra mile to help members as well as fill in anywhere she is needed around the Credit Union. Thank you for your dedication and bright smile you bring to work each day.



**March**  
**Kristi Thompson**

Kristi hit the ground running when she started in the back office. She has accepted new responsibilities and isn't afraid to ask questions. She seeks to find the logic behind procedures and wants to know "why". We appreciate your hard work and dedication to HSCU.

# IRA REQUIRED MINIMUM DISTRIBUTIONS: SECURE Act Changes When Distributions Must Begin

by Mike Schiller, Manager, Specialized Consulting, Tax Advantaged Accounts, Wolters Kluwer

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## Overview

The *Setting Every Community Up for Retirement Enhancement Act of 2019* (i.e., the SECURE Act), which was included in the larger *Further Consolidated Appropriations Act, 2020*, has made several changes to individual retirement accounts (IRAs). One of the more significant changes is a provision which changes when traditional (including simplified employee pension – SEP) and Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) IRA owners must begin taking required minimum distributions (RMDs). Effective for years after 2019, traditional and SIMPLE IRA owners will not be required to begin taking minimum distributions until they attain age 72. Prior to 2020, traditional and SIMPLE IRA owners were required to take distributions for the year they attained age 70½. Following is an overview of the effect this change has made.

## Attainment of Age 70½ Before 2020

There will not be any changes for traditional (including SEP) and SIMPLE IRA owners who attained age 70½ before the end of 2019. They must continue taking distributions under the rules in place prior to January 1, 2020 (i.e., the SECURE Act provision's effective date). **Example:** John, born on June 30, 1949 attained age 70½ on December 30, 2019. John must take his 2019 RMD by April 1, 2020 (i.e., his required beginning date – RBD). Additionally, John must take his 2020 RMD by December 31, 2020, his 2021 RMD by December 31, 2021, etc.

## Attainment of Age 70½ in 2020 or Later

IRA owners that were not age 70½ or older before the end of 2019, are subject to the new rules, effectively allowing them additional time before they must begin taking RMDs. Going forward, the RBD for traditional (including SEP) and SIMPLE IRA owners is April 1 of the year after attainment of age 72.

**Example:** Jane, born on July 1, 1949 attained age 70½ on January 1, 2020. As Jane was not 70½ prior to the end of 2019 she is subject to the new rule and is not required to begin taking distributions until the year she attains age 72. As Jane attains age 72 on July 1, 2021 she must take her 2021 RMD by April 1, 2022 (i.e., her RBD). Additionally, Jane must take her 2022 RMD by December 31, 2022, her 2023 RMD by December 31, 2023, etc.

## RMD Statements

By January 31 of each year IRA custodians and trustees are required to provide IRA owners in RMD status for such year with a statement which indicates the RMD amount (or offers to calculate the RMD amount), the deadline by which the RMD must be taken, and the fact that the IRA owner's RMD status will be provided to the IRS. It is likely that many statements used to report RMD information for 2019 (sent by January 31, 2019) and prior years indicated the deadline by which an individual must take his or her RMD is "December 31, unless it is the year in which an individual attains age 70½, then the deadline is April 1 of the following year". Reference to age 70½ should no longer be included on any RMD statements, including those for 2020. Furthermore, any statements which refer to an April 1, 2021 RBD will be incorrect as no IRA owner will have an April 1, 2021 RBD (see the Examples above).

**Update:** On Friday, January 24, the Internal Revenue Service (IRS) issued Notice 2020-6 providing reporting relief as it relates to RMD statement reporting for 2020. The IRS states in the Notice:

*"The RMD statement required under Notice 2002–27 should not be sent to IRA owners who will attain age 70½ in 2020. However, in recognition of the short amount of time after the enactment of the SECURE Act that financial institutions have had to change their systems for furnishing the RMD statement, relief is being provided."*

The IRS goes on to state that it will not consider statements (if sent) were provided incorrectly to IRA owners attaining age 70½ in 2020 considering notification is provided to those individuals no later than April 15, 2020 indicating no RMD is required for 2020. Please see the article [IRA RMD Statement Reporting: IRS Issues Notice Indicating Relief for 2020 Reporting \(wolterskluwerfs.com/article/ira-rmd-statement-reporting-irs-issues-notice-indicating-relief-for-2020-reporting.aspx\)](https://www.wolterskluwerfs.com/article/ira-rmd-statement-reporting-irs-issues-notice-indicating-relief-for-2020-reporting.aspx).

## IRS Form 5498 and Reporting RMD Status to the IRS

Internal Revenue Service (IRS) Form 5498, IRA Contribution Information, indicates to the IRS any IRA owner that must take an RMD for the year in which the form is sent. In other words, when the 2019 Form 5498s are sent by May 31, 2020, box 11 should be checked for anyone that must take a distribution for 2020 (i.e., anyone that was 70½ or older by the end of 2019). However, data systems are also programmed to check box 11 for anyone that will attain age 70½ during the year in which the form is sent. Checking box 11 in this case would be incorrect as attainment of age 70½ in 2020 will not have any relevance to the RMD rules. Financial organizations should analyze their data systems and ensure that statements are not mistakenly sent to individuals who are not required to take an RMD in 2020.

## Conclusion

The later RBD for traditional (including SEP) and SIMPLE IRA owners is only one of several IRA related provisions included in the SECURE Act. Wolters Kluwer continues to analyze the SECURE Act's impact on forms, brochures, training, and reference materials. We expect updated rules as well as additional information and guidance to be forthcoming from the IRS.

# CHILDERSBURG:

## Serving a Legacy

**It is said Childersburg is the oldest occupied settlement in America.** Heritage South Credit Union, formerly known as Avondale Employees Federal Credit Union, is the oldest credit union in the area, dating back to 1937. Since then, our name has changed, but our priorities and services remain the same. Here at the Childersburg office, our priority is member service. With 65 years combined banking experience, we strive to make sure each member gets exceptional service every time they enter the doors to visit our branch. We look forward to providing you with the best service possible. We are conveniently located off Highway 280 next to Central Alabama Community College and we are here to help you with all your banking needs.

## Meet the Staff



**Melody Haynes** - Branch Manager

*I started working at HSCU in 2008 and I came here with a background in real estate lending. My favorite thing about my job is our members. I love having the interaction I have with our members daily, even when I'm in town taking care of personal business. My favorite activities outside of work are outdoor activities. I love all aspects of lake life and I also love hiking, kayaking, and biking.*

**Stephanie White** - Member Services Representative

*I started working for HSCU in July 2006 as their first CO-OP student during my senior year of high school. After receiving my AS in General Business from CACC, I became a full-time employee with HSCU. The thing I love most about my job is building relationships with our members. They become like family. When I am not at work, I enjoy spending time with my parents and my church family. I also enjoy traveling, reading, and learning new things.*



**Sandra Johnson** - Head Teller

*My name is Sandra Johnson and I have worked at the credit union for 15 years. I am married to Ken Johnson and we have two terrific grandchildren. I love sports and all things CRIMSON TIDE! I also enjoy watching my granddaughter play softball. Softball is a year round sport for her. I enjoy my job and all the wonderful people I work with. Retirement is in sight, but I haven't decided just when that will be.*

**Autumn Heacock** - Teller

*I have lived in Sylacauga for 25 years and am a graduate of SHS, class of 2003. I have worked at HSCU in Childersburg for just over 2 years and love my job as a teller. I love seeing my regular members on a daily basis and meeting new people. I am a HUGE animal lover and enjoy spending time with my boyfriend and my pets. Quality time with family is also very important to me. When I am not relaxing at home with them, I like to be outdoors and exploring new places.*



**Zharia Jackson** - Teller

*My name is Zharia Jackson, I am 18 years old, and I attend CHS as a senior. I have been working for HSCU for eight months. I plan to get my bachelor's degree in Global Business and German studies from New York University and my master's degree from UC Berkeley. During my studies I will spend a year in London, and a semester at sea. When I graduate college I plan on working for the consulting firm McKinsey & Company at one of their overseas offices.*



Don't miss  
out on  
making  
memories  
this  
summer.

**Beach vacation. Mountain vacation.  
Vegas vacation. Staycation.**

Whatever your vacation or summer style is, saving can be easy with our Vacation Club account. Now is the time to open one! Apply online or at your local HSCU branch today!

Find more information at:  
[www.myhscu.com/summerfun](http://www.myhscu.com/summerfun)

# Extra Awards® Migration

## Website

- As a cardholder, you will always need to access Extra Awards via online and/or mobile banking (based on your SSO Integration). Cardholders need to remove any bookmarks they had to the previous site.
- Cardholders need to access Extra Awards via online and/or mobile banking (based on your SSO integration).
- Direct Sign On (DSO):
  1. Cardholders need to update any bookmarks they had to the previous site.
  2. Cardholders need to set up a new user ID and password on the new site. Your old user ID and password will not work.
- Your Extra Awards will not be available during your migration. The look and feel of the website is changing. Additionally, the website has a responsive design so that content will display correctly regardless of the device screen size.

## Cardholder Support

- A new phone number for support and redemptions: 855-854-5493.

## Accrual

- Points will be rounded to the nearest whole number.

## Redemptions

- Travel rebate is now called purchase rebate and it supports purchase types beyond travel. The cardholder will select from qualifying posted purchases versus entering information.
- New merchandise will be available.
- Car, hotel, cruise, and experience redemptions will also be available.

## E-Statements

- These statements will be sent to all awards participants with an email address on file by default.
- If your cycle date was previously a date other than the first of the month, cardholders should now expect to receive e-statements on the first of the month.



Thanks to all who came by to see us at Coosa Valley Medical Center during the Heart and Sole Run!

**NOW  
AVAILABLE:  
E-Statements  
are now  
available on  
the app.**

**YOU NOW HAVE THE EASE OF  
ACCESSING YOUR STATEMENTS RIGHT  
FROM YOUR PHONE.**



# PRESTIGE CHECKING

## You've earned some special treatment!

If you are over 60 you automatically qualify for our Prestige Checking account with all of these benefits:

- No Minimum Balance Requirement
- No Monthly Service Charges
- FREE Online Banking
- FREE Online Bill Pay
- FREE Mobile Teller application
- FREE eStatements
- FREE eNotices
- FREE Stop Payments
- 24 Hour Voice Response
- Instant Issue Debit Cards\*
- FREE Buzz Points Debit Card Rewards
- Convenience of Direct Deposit
- Overdraft Protection

### But there's more!

As a Prestige Account holder, you also receive FREE checks (member must pay shipping), monthly dividends, FREE prepaid travel cards, and FREE money orders.

\*Open a new account and walk away with your debit card. Or, if your card is compromised you can get a new card immediately.

*Credit Union membership is required by opening a Share Savings account with a minimum deposit of \$25.00.*

FOLLOW US ON:  

NMLS  
#712492

ESI

NCUA  
Member FDIC

EQUAL HOUSING  
LENDER

CO-OP



### CONTACT US:

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Or visit us at one of our locations:

Sylacauga – Broadway Ave. / Sylacauga – Hwy 280

Childersburg – Hwy 280

Moody – Moody Parkway

Alexander City - Hwy 280