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In Memory of PSCU's Chairman - Jonathan D. Gallimore

Jonathan D. Gallimore, chairman of the Public Service Credit Union board, passed away on November 10, 2013 following a massive heart attack. Mr. Gallimore became a member in 1953 and was elected to the credit committee in 1968. In 1970 he was elected to the board and became chairman in 1993. Mr. Gallimore loved his fellow board and committee members, the employees and members who have been loyal through the years. He often said it was a waste of time looking in the past because it is the future we need to focus on. His favorite phrase was "onward and upward."

Mr. Gallimore served his Country in the United States Army until 1958. He then returned to Wayne County Government and retired from Wayne County as assistant election director in 1990 after a distinguished career of public service. A tribute from the State of Michigan hailed him as an excellent leader and administrator. Mr. Gallimore joined the University of Michigan Track Officials and officiated at over 17 NCAA and 6 Big Ten Championships. In 1983, he was named head timer of the NCAA Track and Field Meet held at the Silverdome. He became a National Track Official and officiated at the 1987 Pan Am games in Indianapolis.

In all his endeavors, Mr. Gallimore excelled and earned the admiration of all who knew him. "His influence on the Public Service Credit Union family and members will be felt for years to come," said Dean Trudeau, CEO and President of PSCU. "He will be missed by his colleagues and the credit union industry." He was laid to rest in the Veterans Cemetery in Holly, Michigan.

Your Financial Future



YOUR FINANCIAL FUTURE

Your Guide to Life Planning

December 2013



Our roads to success may have twists and turns and ups and downs; together we can navigate a course and enjoy the scenery along the way.

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It Pays to Plan Ahead: 2013 Year-End Tax Planning

As 2013 draws to a close, the last thing anyone wants to think about is taxes. But if you are looking for potential ways to minimize your tax bill, there's no better time for planning than *before* year-end. And, with the higher rates put in place with the passage of the American Taxpayer Relief Act of 2012, being tax efficient is more important than ever.

Consider how the following strategies might help you to lower your taxes.

Put Losses to Work

Since stock and bond performance tends to differ throughout the year, there is a chance that your target asset allocation has shifted, potentially exposing you to more risk than you originally intended.¹ That is why now is a good time to review your portfolio for gains and losses and make adjustments as needed.

The IRS allows you to offset investment

gains with losses, a practice sometimes referred to as tax-loss harvesting. Short-term gains (gains on assets held less than a year) are taxed at ordinary income tax rates, which now range from 10% to 39.6%, and can be offset with short-term losses. Long-term gains (gains on assets held longer than a year) are taxed at a top rate of 20% and can be reduced by long-term capital losses.² To the extent that losses exceed gains, you can deduct up to \$3,000 in capital losses against ordinary income on that year's tax return and carry forward any unused losses for future years.

Given these rules, there are several actions you may want to consider:

- Avoid short-term capital gains when possible, as these are taxed at higher ordinary rates. Unless you have short-term capital losses to offset them, try holding the assets for at least one year.
- Consider taking capital losses before capital gains, since unused losses may be carried forward for use in future years, while gains must be taken in the year they are realized.
- Consider sell or hold decisions carefully. Keep in mind that a few down periods don't mean you should sell simply to realize a loss. Stocks in particular are long-term investments subject to ups and downs. Likewise, a healthy, unrealized gain does not necessarily mean an investment is ripe for selling. Remember that past performance is no indication of future results; it is expectations for future performance that count. Moreover, taxes should only be one consideration in any decision to sell or hold an investment.

Maximize the Power of Tax Deferral

Year-end is a good time to reevaluate employer-sponsored benefits, such as qualified retirement plans that offer tax deferral and typically allow participants to make contributions on a pre-tax basis, thereby lowering current taxable income. If you have not already done so, you may still have time to "max out" your 2013 contribution of \$17,500—with an additional \$5,500 in "catch up" contributions if you are aged 50 or older.³

Once you have contributed the maximum to

your employer plan, consider doing the same with any IRA accounts you may have. Depending on your situation, you may be able to deduct all or a portion of this year's contribution (\$5,500 with an additional \$1,000 in catch-up contributions) from your 2013 tax bill.

Another important year-end consideration for older IRA holders is whether or not they have taken their required minimum distribution (RMD). Starting at age 70½, the IRS requires account holders to withdraw specified amounts from their traditional IRAs each year. If you have not taken the required distribution in a given year, the IRS will impose a 50% tax on the shortfall. So make sure you take any required distributions by December 31.

Income Shifting Through Gift Gifting

Year-end is also a time to make gifts to children, grandchildren and charities. The annual gift tax exclusion is currently \$14,000 per individual (\$28,000 for spouses combined). This technique works particularly well for individuals or couples who want to give away significant assets in a relatively short time frame. For instance, assuming you and your spouse have one child who is married and two grandchildren, you could give away \$112,000 this year--\$14,000 from each of you to each family member--without affecting your lifetime gift tax or estate tax exemptions. Over time, these annual gifts could help to shift considerable assets out of your taxable estate.

Another time-sensitive gifting strategy involves making a charitable gift from an IRA. The tax law passed in January 2013 granted IRA holders who are at least 70½ years old an extension (through December 31, 2013) for making contributions of up to \$100,000 directly from an IRA to a charity of choice without having to treat the withdrawal as taxable income. While the gift is not tax deductible, if done properly it does help fulfill your RMD for the year.

If you act fast, there is still time to reduce your tax bill before the books close on 2013. Contact your financial professional and tax advisor for assistance.

1 Investing in stocks involves risks, including the loss of principal. Bonds are subject to interest rate risk if sold prior to maturity. Bonds are subject to availability and change in price. Asset allocation does not assure a profit or protect against a loss.

2Under certain circumstances, the IRS permits you to offset long-term gains with net short-term capital losses. See IRS Publication 550, *Investment Income and Expenses*.

3These are government maximums. Your employer may impose lower limits. Rules vary, so check with your benefits administrator to see if there is still time to increase your deferral rate for 2013.

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Not Insured by any Federal Government Agency		Not a Bank Deposit

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I need a vacation get-a-way, like real bad.

Do you need to get out of town...OR GET AWAY... LIKE RIGHT AWAY. Maybe Europe, maybe Mexico, maybe the Caribbean who knows. With Anyday Everyday Loans, you get to choose - and you get to enjoy - without the hassles of high interest rates and complicated loan application forms. PSCU makes it easy and stress-less. Contact us today and we will get you on your way . . . Anyday Everyday.

- » **A fixed rate, generally much lower than credit card rates**
 - » **No collateral or equity needed**
 - » **A simple application process**
- For when life happens... there's PSCU!



PSCU awards local charity with \$500.

With the holidays upon us, PSCU wanted to support one of our local charities. So we created a contest on our facebook page. We selected four organizations (Romulus Goodfellows, C.H.A.I.N.E.D Inc., Judson Center & Focus: HOPE) then asked people to vote for their favorite charity to help support the wonderful work they do. The contest ran from November 5th through November 19th.

There were almost 500 votes received in our charitable giveaway contest, awesome participation from everyone! Although all of these wonderful charities are deserving, we are pleased to announce that the organization with the most votes and the winner of the contest and \$500.00 is ... C.H.A.I.N.E.D Inc.

C.H.A.I.N.E.D. Inc is an organization that enhances the lives of 24/7 chained/outside dogs, providing life enhancing supplies & services, including safe fenced yards, insulated dog houses, spay/neuter assistance, vaccines, flea/tick prevention, heartworm prevention, food assistance, treats, toys, love & most importantly...owner education. Correcting the problem where it originates decreases the number of homeless & neglected animals. Every dog is worth saving & this is our way of saving them!

Thank you to all that voted, and for helping a local charity to continue to improve our communities.



25 Meals for Thanksgiving from PSCU

Public Service Credit Union's employees raised money throughout the year by asking employees to contribute \$5.00 each time they wore jeans on casual days. During that time, they were able to raise enough funds to provide 25 local families from each of our branch areas with Thanksgiving meal baskets.

"These families may be the ones who experienced our goodwill, but our employees are the ones who truly have been blessed," said Dean Trudeau, CEO. "Whenever possible, it is our mission to serve the community that supports us. This is just one small way that we can give back in keeping with the credit union philosophy of People Helping People."





Redford Welcome's PSCU

On November 20, 2013 Public Service Credit Union had a Ribbon Cutting Ceremony to signify the opening of our Redford location. The honors were given to Dean J. Trudeau, President/CEO of PSCU along with Redford Township Supervisor, Tracey Schultz-Kobylarz to cut the ribbon and welcome the new branch to the community. PSCU celebrated the day with many other dignitaries, PSCU's official family, Senior Management and staff. The ribbon was dressed with 100 single dollar bills, then PSCU presented the money to the Senior's of Redford to be used towards their program.

The fun didn't end there... on Friday, November 22, 2013 we continued the celebration with our members. We passed out Turkey's to the first 61 members in the Redford community. (61 represents the amount of years PSCU has been in operation). "We are very excited to be part of the Redford Community, where residents and the business community will enjoy the same state-of-the-art banking products and services offered by some of the area's biggest financial institutions, but with more competitive pricing and more attentive personal service." said PSCU Vice President of Growth & Development Rob Mercier.

Be sure to stop by our new branch and meet our staff. We're looking forward to working with you!

26838 Plymouth Rd.
Redford, MI

Lobby hours	Mon – Fri	9am to 6pm
Drive Thru	Mon – Fri	8am to 6pm
	Saturday	9am to 1pm



MSP, Leslie Jones opening an account for new Redford family.

Holiday Hours

MARK YOUR CALENDARS!

Public Service Credit Union's branches will be closed on the following dates to observe

The holidays:

Wednesday, December 25th

All branches closed for the Christmas holiday

Branches will be open ½ day on Tuesday, December 24th and Tuesday, December 31st

(Focus: HOPE branch closed Dec. 23rd through Jan 1st)



Tips on How to Avoid Overspending

Cut down on your expenses without cutting out the things you love

Creating a budget for yourself and your family is an important step toward being financially stable. One factor that can significantly impede your efforts toward financial stability can be the bad habit of overspending. It can be difficult to set boundaries for your spending, but identifying the areas where you overspend and reigning in this habit will have a positive impact on your financial status. Here are some tips to help you get started.

Financial advisors often find that one of the most difficult types of clients are those that can't see their own financial faults such as overspending.

"There are probably as many reasons why we overspend as there are reasons why we shouldn't," notes financial advisor Jocelyn Black Hodes of DailyWorth. "The first step in changing our behavior is to recognize the triggers and to consciously confront them when we're tempted to give in."

More importantly, however, is identifying the underlying reasons of why people are so tempted to overspend. Hodes offers some of the most common reasons for overspending and how to address them.

Spending what you don't see. Using debit or credit cards instead of cash makes it easy to overspend. When you don't physically see the money leaving your wallet, your money has a tendency to disappear much faster. Try taking out enough money at the beginning of the week to last you through your weeks' expenses. If you happen to overspend one day, you'll wind up having to make up for it the next; you'll also develop a stronger sense of what is worth spending money on.

Living beyond your lifestyle. Earnings have a habit of increasing and decreasing as life goes on; if your salary has taken a hit or if your family has made a change that requires more frugality, it may be difficult to change your living habits with your finances. Set a goal for yourself now to live below your means and have adequate savings set aside (approximately six months worth) so you have a comfortable cushion should something unexpected occur.

Compensating for a poor childhood. Individuals who may have grown up feeling deprived can sometimes compensate by overspending as they become adults and are responsible for their own income. Seek out positive financial advice from trustworthy sources so that you can be a good role model for others. You can still enjoy the finer things in life, but enjoy them in moderation and within your budget.

Indulging in emotional spending. When people are unhappy, they tend to go on a shopping binge to make themselves feel better. While shopping and buying fun things can be an effective distraction, it will not solve the underlying problems that are causing you to be unhappy. Identify the reason for your emotions and deal with them directly so that your wallet doesn't suffer as well.

Numerous websites and financial blogs offer advice on how to cut back on expenses.

"The problem with most of this content," says Harriette Halepis of www.mint.com, "is that the one simple truth to overspending is never addressed... To stop overspending, you have to realize that you are overspending to begin with."

Taking a close look at your expenses to identify where you are overspending is crucial to making a change in the right direction. So-called necessities may not be so necessary or there may be ways to still get the things you want without spending as much on them. Here are some of Halepis' tips:

Cut the coffee. Instead of stopping for a coffee every morning on the way to work, try making your own before you leave the house. The average coffee costs between \$2 and \$5. If you stop for a cup every day of the business week, you're averaging upward of \$1,300 a year just on coffee.

Don't waste electricity. If you run your air conditioner or your heat when you're not at home, that is valuable electricity that is literally going out the window. Invest in a thermostat that has a timer so your heat will automatically go down on the days when you're away for most of the day. This will reveal savings to both your electric bill and your oil or natural gas bill.

Limit the lavish living. You don't have to completely cut out all the fun things in life like dining out or splurging on a new device. However, it is important to not go beyond the budget that you set for yourself. Dine out, but less frequently. Save up for something special that you've really been wanting instead of just buying the newest thing on the market.

Identifying the areas in your life where you habitually overspend and finding ways to reduce your spending will help you better maintain your financial stability. It's important to remember that you don't have to cut out the things you enjoy entirely; modifying those things to fit your budget means you can still enjoy them without putting a dent in your wallet.



Three Things Identity Thieves Don't Want You to Know

What you don't know can hurt you and help someone pretending to be you

With everything going electronic and online, identity theft has become an ever more common problem. All the information whizzing around us — the e-mails we send, the forms we fill out, the news feeds we follow and comment on — all of it can be used by would-be thieves to gain access to your personal information and your financial accounts.

It isn't that these thieves are master hackers; geniuses using their talents to target everyday folk one at a time. In reality, most identity thieves depend on us to make one or two simple mistakes and provide them with access to everything. Learning three basic truths can foil the thieves' nefarious plans and place some strong protections between their fumbling fingers and your finances.

1. Security gaps are easy to close

Though digital and online identity thefts are becoming more common, many instances of identity theft originate with a bit of physical access. A lost wallet or other piece of information carried around, a piece of incoming mail and sensitive documents thrown out in the garbage remain the leading access points for identity thieves.

"A good rule of thumb is to shred all personal documents before disposing, from unsolicited credit card applications received in the mail to receipts received at retailer check-out locations," says Kim Garner, senior vice president of Global Security and Investigation for an international banking service.

Keeping personal details offline — not hidden behind easily broken privacy barriers, but omitted from your profiles completely — is also recommended.

"Information you post on the Internet is never completely private, and fraudsters are adept at accessing information online, even within privacy settings," Garner says. "Don't post your full birth date, home address, pets' names or anything else that could be used to impersonate you."

2. Being proactive about identity theft response is easy

No matter how careful you are with your personal information, there's always some risk that your information will fall into the wrong hands. Fortunately for you — and unfortunately for the identity thieves — there are some easy ways to protect yourself, your family and your business even after your identity has been compromised.

If you're worried about identity theft, it only takes a few minutes to contact one of the three credit reporting bureaus (Equifax, Experian and Transunion) and place an alert on your credit file. If you place an alert with one bureau, it will contact the other two, and for the next 90 days you should receive a phone call anytime someone (including you) tries to open a new account in your name. As soon as one alert expires, you can simply place a new one.

There are also many services that will place these alerts for you, and that offer other credit monitoring services that can help protect you. Be wary before purchasing these services, however, and make sure you shop around.

"There has been a problem in general with some ID-theft services claiming to do more than they actually do," says Susan Grant, director of consumer protection at the Consumer Federation of America. "We tell them to steer clear of anybody who says they will prevent you from becoming an ID-theft victim because no one can really make that claim."

3. Quick reporting works

The faster you learn about an identity theft or identity theft attempt, the faster you can report it, and the faster you report it, the less the thief can get away with. As soon as you think your identity might have been compromised, contact a credit-reporting bureau, your financial institutions and the Federal Trade Commission.

It's true. The FTC probably won't get involved in investigating your case, but they can help make sure you're protected from further damage and get you on track to setting things right. When your identity is secure again, the thief is out of luck, so pick up the phone if you even suspect an intrusion!



