

➤ **WHO PAYS FOR FEDERAL SHARE INSURANCE?**

The cost for this important credit union benefit is borne by credit unions. Your shares and savings are not only insured by this federal fund – the fund is also backed by the full faith and credit of the United States government. In fact, not one penny of insured savings has ever been lost by a member of a federally insured credit union.

➤ **ARE SHARES IN DIFFERENT CREDIT UNIONS INSURED SEPARATELY?**

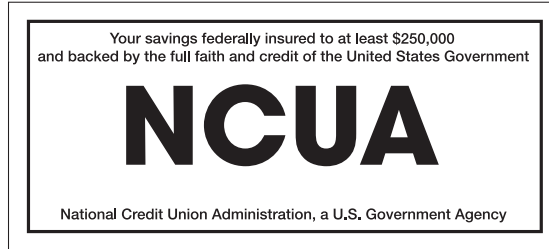
Yes. If a member has accounts in several different insured credit unions, the maximum of \$250,000 is applicable to share accounts in each insured credit union. In the case of a credit union having one or more branches, the main office and all branch offices are considered as one credit union.

➤ **ARE BUSINESS ACCOUNTS AT THE CREDIT UNION INSURED?**

Yes. Business accounts are insured up to \$250,000 by the NCUA. Additionally, business accounts are insured separately from the business owners' individual accounts at the credit union. Therefore, a business owner could have a individual account insured up to \$250,000, as well as a business account insured up to \$250,000 at the credit union. Note: The business must be engaged in independent activity to receive separate insurance coverage (i.e. the business cannot be set up solely to increase a member's share insurance coverage).

➤ **FOR MORE INFORMATION**

Start by going to the NCUA Web site at www.ncua.gov to find publications as well as the Share Insurance Estimator, an interactive tool allowing you to get a summary of your NCUA coverage. Or contact NCUA's Consumer Assistance Center between 8 a.m. and 6 p.m. (ET) at 1-800-755-1030 and press 1 for more share insurance information.



Presented by the National Association of Federal Credit Unions, an independent trade association representing federally chartered credit unions nationwide.

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**YOUR ACCOUNTS ARE
FEDERALLY
INSURED**



**Maximize
Your Federal
Share Insurance**

**NEW!
Coverage
Increased To
\$250,000**

MAXIMIZE YOUR NCUA INSURANCE COVERAGE!

FEDERAL SHARE INSURANCE: YOUR WARRANTY OF SAFETY

Credit unions insured by the National Credit Union Share Insurance Fund (NCUSIF), an arm of the **National Credit Union Administration** (NCUA), are protected by federal deposit insurance. NCUA is an independent agency of the United States government.

➤ HOW MUCH COVERAGE DOES EACH CREDIT UNION MEMBER HAVE?

Share accounts in federally insured credit unions are insured up to \$250,000 – just as with FDIC coverage at banks. Generally, if a credit union member has more than one individual account in the same insured credit union, those accounts are added together and are insured up to \$250,000.

However, shares maintained in different legal ownership capacities may each be separately insured, which means that you may be able to keep substantially more funds at the credit union – conveniently and safely – and still have every dollar protected by federal insurance. The examples in this brochure show some of the account combinations that can maximize your insurance coverage at one credit union.



Credit union members can maximize their NCUA insurance coverage through various account ownership methods. We can help you get the maximum amount of insurance coverage that you are eligible for.

Here's an example: Joe and Jane Smith each have individual accounts, have a joint account, each have a POD account naming five beneficiaries, and each have retirement accounts. Here is how Joe and Jane can have up to \$4,000,000 in one credit union covered by NCUA insurance:

| <u>Accounts</u> | <u>NCUA Share Insurance Coverage*</u> |
|----------------------------|---------------------------------------|
| Joe Individual Account | \$250,000 |
| Jane Individual Account | \$250,000 |
| Joe & Jane Joint Account | \$500,000 |
| Joe POD 5 beneficiaries** | \$1,250,000 |
| Jane POD 5 beneficiaries** | \$1,250,000 |
| Joe's Retirement Account | \$250,000 |
| Jane's Retirement Account | \$250,000 |
| Total: | \$4,000,000 |

Business Accounts are separately insured – see back panel for details.

*Authorized by Congress through the end of 2013. **Alternatively, Joe and Jane could have a joint revocable trust account naming any five beneficiaries and receive \$2,500,000 in coverage. Assumes equal interests for each beneficiary.

The ownership categories shown above have specific requirements that must be met in order to receive the coverage indicated. Failure to meet these requirements will result in funds being aggregated, and insured to a maximum of \$250,000. Information on these requirements may be obtained from the NCUA at www.ncua.gov.

➤ DOES THE TYPE OF ACCOUNT DETERMINE COVERAGE AMOUNTS?

Yes. Most credit union members will be concerned with four types of accounts. Each type of account receives insurance coverage separate from other accounts at the credit union. To determine how your accounts are covered, add up all account balances within each type and check if they are at or below the maximum coverage amounts listed.

- **Individual Accounts** are insured up to \$250,000 per member.
- **Joint Accounts** are insured up to \$250,000 per joint account holder (assuming equal interests in the joint account).
- **Retirement Accounts** are insured up to \$250,000 per member. This includes traditional and Roth Individual Retirement Accounts (IRAs). KEOGH accounts are insured separately to \$250,000 in aggregate.

- **Revocable Trust Accounts** (including payable-on-death or POD accounts) insurance amounts vary depending on the amount in the account. Trusts receive \$250,000 per beneficiary (up to five beneficiaries) for up to \$1,250,000 of insurance coverage. Trust accounts with more than \$1,250,000 and more than five beneficiaries may also be fully insured, so check with your credit union to obtain the maximum coverage possible. Also, a recent permanent rule change widens the definition of a beneficiary to “a natural person, or a charity, or other non-profit organization.”

➤ HOW CAN I DETERMINE IF MY ACCOUNTS ARE FULLY COVERED?

Your credit union is ready to help you achieve maximum NCUA insurance coverage for your particular situation. We can show you how to maximize your coverage through various types of ownership and other means. Another helpful resource is the interactive NCUA Share Insurance Estimator at <http://webapps.ncua.gov/ins>.