

# Can You Spot a **SCAM?**



## the **CHRONICLE**

Welcome to **The Chronicle**. Charter Bank's quarterly news and events.

### In this Issue:

- You and Identity Theft
- Traditional Vs. Roth
- Celebrating You
- Milestone Employees
- Meet the New Business Bankers



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### **Identity thieves get better every day at scamming unknowing consumers.**

Their methods range from online traps, to phone calls claiming a loved one is incarcerated, to outright stealing from your mailbox. At every turn these thieves come up with new ways to take what is not theirs: your money. It's important to understand how identity thieves are stealing your information, because in the fight against them, **you are the most valuable weapon.**

**Legitimate businesses will not call or email to ask for personal information.** They will not ask for your password, security code, account number, or online username. If someone calls you and ask for this information, hang up immediately and call the business directly. They can tell you if anything in your account is amiss. You may be asked for some information at this time; however it should not be information that would allow someone to access your account such as a username or password for online banking.

**Try to spot warning signs in email and text messages.** Many times fraudsters will make errors in the email and text messages they send. Did you notice grammatical or spelling errors in the message? Is there a URL in the message with a misspelling or alot of symbols? If so, it is likely that this is a fraudulent email. These emails also frequently ask for your urgent attention. If you get an email that claims to be from Charter Bank and it looks strange, give us a call and we will help you determine if it is legitimate.

**Stay in the know.** The longer it takes to learn that someone has accessed your accounts, the more damage they can do. Online banking makes it easy to view your accounts quickly and securely. If you notice a transaction you did not make, you can quickly put a hold on your account(s) until it is straightened out.

We know that identity theft is scary. Rest assured, we are here to help! Remember to give us a call if you receive an email, text or phone call that seems suspicious. We will check on your account to be sure all is well.

# Traditional Vs. Roth IRA

## Do you know the difference?

Kent Martinson - Charter Investments, Investment Adviser Representative



Traditional Individual Retirement Accounts (IRA), which were created in 1974, are owned by roughly 33.2 million U.S. households. Roth IRAs, however, were created as part of the Taxpayer Relief Act in 1997, are owned by nearly 22.5 million households.<sup>1</sup>

**Both are IRAs. And yet, each is quite different.**

Know the limits. Up to certain limits, traditional IRAs allow individuals to make tax-deductible contributions into the account. Distributions from traditional IRAs are taxed as ordinary income, and if taken before age 59½, may be subject to a 10-percent federal income tax penalty. Remember, under the SECURE Act, in most circumstances, once you reach age 72, you must begin taking required minimum distributions from a Traditional Individual Retirement Account (IRA). Additionally, you may continue to contribute to a Traditional IRA past age 70½, under the SECURE Act, as long as you meet the earned-income requirement.

Filing single. For singles, the maximum tax-deductible contribution starts shrinking once your modified adjusted gross income (MAGI) reaches \$65,000. Singles with adjusted incomes of \$75,000 and above are not eligible for a tax deduction.<sup>2</sup>

Filing jointly. For those who are married and filing jointly, things are a bit more complicated. If you or your spouse makes an IRA contribution that is covered by a workplace retirement plan, the deduction begins phasing out when your adjusted gross income is at \$104,000, and it disappears at \$124,000. However, if you do not have a workplace plan, but your spouse does (or vice versa), the 2020 limit starts at \$196,000, and no tax deduction is allowed once the contributor's income reaches \$206,000.

Also, within certain limits, individuals can make contributions to a Roth IRA with after-tax dollars. To qualify for a tax-free and penalty-free withdrawal of earnings, Roth IRA distributions must meet a five-year holding requirement and occur after age 59½.<sup>3</sup>

Income impacts total contributions. Like a traditional IRA, contributions to a Roth IRA are limited based on income. For 2019, contributions to a Roth IRA are phased out between \$193,000 and \$203,000 for married couples filing jointly and between \$122,000 and \$137,000 for single filers.

Contribution limits. In addition to distribution rules, there are limits on how much can be contributed each year to either IRA. In fact, these limits apply to any combination of IRAs; that is, workers cannot put more than \$6,000 per year into their Roth and traditional IRAs, combined. So, if a worker contributed \$3,500 in a given year into a traditional IRA, their contributions to a Roth IRA would be limited to \$2,500 during that same year.<sup>4</sup>

Catch-up contributions. Individuals who reach age 50 or older by the end of the tax year can qualify for "catch-up" contributions. The combined limit for these is \$7,000.<sup>5</sup>

Let's chat. When it comes to picking an IRA, both traditional and Roth IRAs may play an important role in your retirement strategy. If you have any questions, let's chat soon about how these products may be a good fit for your goals.

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Citations:  
1 - [irs.gov/retirement-plans/individual-retirement-arrangements-iras](https://www.irs.gov/retirement-plans/individual-retirement-arrangements-iras), [01/09/2020]  
2 - [irs.gov/retirement-plans/ira-deduction-limits](https://www.irs.gov/retirement-plans/ira-deduction-limits), [12/20/2019]  
3 - [irs.gov/retirement-plans/are-you-covered-by-an-employers-retirement-plan](https://www.irs.gov/retirement-plans/are-you-covered-by-an-employers-retirement-plan) [01/08/2020]  
4 - [irs.gov/retirement-plans/plan-participant-employee/retirement-topics-ira-contribution-limits](https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-ira-contribution-limits) [02/07/2020]  
5 - Internal Revenue Service, 2019. The Tax Cuts and Jobs Act of 2017 eliminated the ability to "undo" a Roth conversion.



Every June we celebrate You!  
The amazing customers of Charter Bank.

Your support and trust in Charter Bank has enabled us to become the bank we are today. We appreciate you, and we show that through offering the best benefits we can throughout the year!

We have a few things planned for the week of June 14-18, 2021

**Chetek Shred Day\***  
Tuesday, June 15 - 11:30am -1pm

**Eau Claire Shred Day\***  
Thursday, June 17 - 11:30am -1pm

**Minnesota Shred Day\***  
Friday, June 18 - 11:30am -1pm  
at Chaska!

**Cookie Day**  
Friday, June 18 - All Day!

Thank you for being a valued Charter Bank customer!



\*Maximum of two file-sized boxes per customer please.

## Charter Bank Celebrates Employee Milestone Anniversaries

We've said it before, and we'll say it again...we value our employees! We have a couple of milestone anniversaries that deserve a special shout out.

### Mary Jackson - 35 Years



It is hard to believe that I have been employed at Charter Bank for 35 years! I am truly grateful for being hired to work at the bank all those years ago, let alone, still be here after 35 years. I have had positions in a couple of different departments and can truthfully say, I enjoy the work I do in the Accounting & Finance Department so much. It keeps me thinking all the time.

I think what makes Charter Bank so special, is the co-workers that I have met and worked with along the way... so many have become true friends. This is truly my Charter Bank family! It is so great to be a part of the community working at Charter Bank. I hope to continue working at Charter Bank as long as I possibly can!

### Kim Novotney - 30 Years



I am passionate and honored to have worked with the businesses and individuals through the many years, building trust, building partnerships, building success.

Charter Bank and I take great pride in our clients, and great pride in our future! Together we make it happen - together we create success - but it all starts with our clients.

I take great pride working for an institution that has made such a difference in the community for individuals and businesses alike. Thank you for the trust you place in Charter Bank...your bank and your trusted financial partner... yesterday, today and for tomorrow.

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## the CHRONICLE

Charter Bank Newsletter

NEWS you can BANK ON.  
Spring 2021

# Growing the Business.

Welcome Craig, Tanner, and Seth as the newest members of the Charter Bank Business Services Team.

**Say Hello Today! 800-471-4510**

Tanner Thompson | Craig Severud | Seth Sundeen  
Ext. 1155 | Ext. 1017 | Ext. 1197

**Craig**

**Seth**

**Tanner**



[charterbank.bank/business](http://charterbank.bank/business)