



The Credit Union That Is Different . . . On Purpose!

C U NOTES

Your Shares Are Federally Insured To At Least \$250,000

December 31, 2016

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

DIVIDENDS FOR FINAL QUARTER OF 2016 ARE PAID

Your Board of Directors authorized a payment of dividends on funds on deposit in Knoxville Teachers Federal Credit Union for the final quarter of 2016 (October 1 to December 31, 2016). The rate of dividends remains at the same rate as those dividends for the previous quarter. A dividend of **0.58% APY** was paid on all shares in IRA accounts and on all other deposits of funds in excess of \$4,000. Funds under that point earned a dividend of **0.15% APY**. We would like to point out that these rates are for accounts that are open for additional deposits or for withdrawals at anytime. We would also call your attention that these rates compare well to time deposits that are not immediately available upon demand. The dividends were added to your accounts on December 31. Dividends paid on share draft savings accounts were immediately transferred to your regular savings account.

Recent changes in some interest rates by the Federal Open Market Committee has created much speculation of future rates. The dividends announced for the final quarter of 2016 should not be used as an indication of dividends to be earned during the next quarters. Your credit union may make adjustments as may most places of deposit. We expect to continue to pay dividends that are competitive with certificates of deposit but without the penalties associated with such savings instruments.

CHIP CARDS ARE HERE!

Some Knoxville Teachers Federal Credit Union members began receiving EMV/Chip debit cards in December. All debit cards will be replaced over the next year. Regardless of the year your card expires, you will receive a new card the month of expiration. For example, if your card shows: "GOOD THRU 05/19", you will get an EMV/Chip debit card in May of 2017.

Currently the credit union -- NOT the merchant -- is responsible financially for almost all card fraud. When members use an EMV/Chip card, the merchant will be financially responsible for fraud if the merchant does not provide an EMV card reader. Unfortunately, the new cards only protect against fraud when you are present at the transaction. Purchases online and over the phone are still subject to the same fraud attacks.

This is why it is so important to review your account and statements for fraudulent activity. If you wait too long to report fraudulent charges you will not be able to recover losses. As always, we urge members to use your card only with people and companies you trust. You and other members are the losers when we make card fraud possible.

OUR CARTER OFFICE IS FINALLY MOVING!

We're moving! We had a five year plan to use a portable building while we looked for a permanent home in the Carter community. It only took us ten years to complete.

In early February, you'll find us at 8537 Asheville Highway. We're downstairs from the Drayer physical therapy office, but more importantly, next door to Cardin's Drive-In. There's plenty of parking in the rear of the building. Come see us; you'll agree it was worth a decade of waiting.

	1st Quarter 2016	2nd Quarter 2016	3rd Quarter 2016	4th Quarter 2016	Yearly Average APY
Credit Union Premium Shares	0.580%	0.580%	0.580%	0.580%	0.580%
Credit Union IRA	0.580%	0.580%	0.580%	0.580%	0.580%
Bank 6 Month CD*	0.17%	0.15%	0.14%	0.14%	0.15%
Bank 1 Year CD*	0.26%	0.27%	0.23%	0.23%	0.25%

*(Rates are as of first of each quarter.)
The yield rate printed on your statement is the composite rate of your first \$4,000 and the remainder of your share deposit.
Published by www.bankrate.com

FLOWER CARD RETIRED

After more than 20 years of hard work the very popular "Flower Card" has been retired. (Fun fact: It was a Trillium, not a Dogwood blossom.) The design was just not going to work with the new EMV chip covering it up. We have been issuing a blue debit card the last 6 months after the flower card stock ran out and before the EMV/Chip cards were ready. The new EMV/Chip card is ready and is a handsome charcoal color.

If charcoal just isn't your thing and you're interested in something different for your debit card, check out our photo cards. For only \$7.00 you can use almost any personal photo as the background for your card. If you already have a photo debit card you should review your current photo and upload a new picture if the new chip will cover an important part of your photo. See our website ktfcu.org for more on photo cards.

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

East/Downtown
711 N. Hall of Fame Dr.
Knoxville, TN 37917
(865) 582-2700

Farragut Office
147 West End Avenue
Knoxville, TN 37934
(865) 582-2701

North Office
108 Hillcrest Drive
Knoxville, TN 37918
(865) 582-2702

Powell Office
7315-C Clinton Hwy
Powell, TN 37849
(865) 582-2703

Clinton Office
125 Leinart St
Clinton, TN 37716
(865) 582-2705

Oak Ridge Office
304 New York Ave
Oak Ridge, TN 37831
(865) 582-2710

All locations are open 9-5 weekdays,
except January 2 (New Year's Day)
and January 16 (Martin Luther King, Jr. Day)

Virtual Branch - <https://www.ktfcu.org>

South Office
7359 Chapman Hwy.
Knoxville, TN 37920
(865) 582-2704

Halls Office
3722 Cunningham Rd
Knoxville, TN 37918
(865) 582-2706

Bearden Office
410 Montbrook Ln.
Knoxville, TN 37919
(865) 582-2707

Carter Office
8537 Asheville Hwy.
Knoxville, TN 37924
(865) 582-2708

Anderson Co. Courthouse
100 N. Main St, Room 123
Clinton, TN 37716
(865) 582-2709
(10 - 4:30, Mon - Fri)

ANNUAL ANNOUNCEMENTS

Real estate interest is often deductible on your IRS report if you itemize. If you have a loan secured by residential real estate with Knoxville Teachers Federal Credit Union, you can expect a separate mailing of Form 1098 to provide you with your tax information and documentation of interest paid during 2016. No such report will be sent in cases in which the interest amounts to less than \$600 for the year even though it can be deducted.

Dividend income will be documented by mailing of Form 1099INT since dividends from your credit union are taxable. IRS does not require documentation by you or the payer of dividends in amounts of less than \$10. This and the real estate interest form 1098 will be mailed by or before January 31.

IRA account transactions and yields for 2016 are reported on your December 31, 2016, statement. (Reminder: any contribution in a nondeductible IRA must be accompanied by Form 8606 when you file your 2016 IRS return. This is an annual requirement covering current and all past contributions. This reporting is not required for Roth IRAs.) If you made withdrawals from an IRA in 2016, you will receive a form 1099R before the end of January.

If eligible, you may contribute up to \$5,500 for 2016 until April 15, 2017. Amounts for both years may be increased for members over fifty years of age by \$1000. (Any contributions you made for 2016 will be reported to you on a form 5498 that will be sent to you in May, 2017, to allow us to include any additions you may have made up until the time you file your 2016 IRS tax return. This form is for your records and is not required for your tax return.)

Deferred Compensation (457) accounts will be reported to those members who are participating in this Knoxville Teachers Federal Credit Union tax shelter by a separate mailing during January.

The Annual Meeting of members will be held at 5:30 pm on Wednesday, February 15, 2017, at 535 Chickamauga Avenue in the Lincoln Park Trade and Technology Center (formerly Lincoln Park Elementary School). This is the ninth year that we have met in this facility. It was selected to provide easier parking, street level entrance and a more suitable meeting room. This facility is easy to locate. Chickamauga connects North Broadway and North Central Avenue. The Lincoln Park Building is about one mile from either end of Chickamauga. In the event of weather or other conditions that require the meeting to be postponed, it will be held in the same location and time on March 1, 2017. If further postponements are required, the meeting will be held on the first Wednesday when weather and other conditions allow.

The financial report for 2016 will be included in the report for March 31, 2017.

Our snow policy is pretty simple. If schools are closed for the safety of students and teachers, we assume our owners (teachers and other school employees) want the same safety for their credit union employees. We do have one small difference. We know that there are days when school must be canceled for snow or other reasons and then conditions improve and traffic can move with safety. When this happens, our credit union staff normally attempts to open as many of the locations as possible to serve members. We urge you to call before you start out on a day when schools have been canceled. We will try to be present to serve you.

ROBOT NEWSLETTER POLL

In our last newsletter, a rather cheesy appeal was included for members to express themselves about the readership of this newsletter. To our surprise, a lot more people responded than was expected. Some responded with humor, some with irritation but all with vigor. We even received contacts from out of state by members who have maintained their membership after moving out of the area! Responses came in by email, text, phone calls and even mail. One response was mailed three times before the post office would actually deliver it. In fact, now that we realize that many more people read this newsletter than we had previously believed, we now feel the pressure to be more responsible for the content. Until now, we had felt it was safe to say almost anything. (As a disclaimer, we do not think the pressure will result in improved dignity.)

We do realize that this newsletter is quite different than the standard newsletters you may receive from other institutions. Those are usually printed on expensive high quality paper and contain pictures of the employee of the month or a color portrait of the corporate president. (Ever wonder what he does with such a clean desk?) All our employees are paid by the month and they agree that getting paid is their preference over being tagged as employee of the month. And, we have no corporate president. We have a manager and a Board Chairman but we aren't going to pay to have their pictures made.

Good judgment and law requires a frequent report to members and therefore, a newsletter. Those required reports are included but we don't think we are required to make them dull. (You'll see a bunch of those in this edition.) And, we confess that some items are just opinions, musings or scurrilous comments in which we carefully skirt libel laws. Meanwhile, we are happy that those readers who responded to the cheesy appeal didn't support the robot – yet.

**2016 seemed unpopular.
We wish you a better 2017!**