



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

C U NOTES

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

December 31, 2018

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

DIVIDENDS ANNOUNCED FOR FOURTH QUARTER OF 2018

Your Board of Directors approved payment of dividends on your shares in Knoxville Teachers Federal Credit Union at a rate that continues the upward movement of yields. As in the past, a three tier dividend is utilized to allow the yields to extend to higher levels. Members with larger deposits will be paid a dividend at all three levels.

Shares on deposit in excess of \$25,000 and all IRA deposits earned a dividend of one percent (1%) APY. Shares between \$5,000 and \$25,000 were paid a dividend of 0.60% APY. Shares under \$5,000 earned a dividend of 0.20% APY. Members who have shares in the Deferred Compensation Plan 457(b) continue to earn the same higher dividend paid in the past quarters.

Your management regularly monitors yields on savings in both the local and national markets. In this age of electronic banking, we are aware of the many options available to savers. We offer members one set of comparisons based on data available from FDIC. See the chart below for those comparisons. We point out to members that the rates paid for this quarter went into effect on October 1. Additionally, funds on deposit with Knoxville Teachers Federal Credit Union are available immediately upon request of the owner of the funds.

We offer no speculation of future rates other than to say that your credit union maintains the flexibility to meet the changing conditions ahead.

ARE YOU OUT OF TOUCH?

In this time of rapidly changing conditions, being informed is more important than ever. Members will find it useful and assuring to know that your credit union can immediately inform you of any unusual actions affecting your money. Having your cell phone number on record with your credit union will enable your credit union to work with you to protect your privacy and your peace of mind. We urge you to call 865 582-2700 to register your cell phone number(s) with your credit union.

We make two promises. We won't sell or share that number. We won't use that number to try to sell you ANYTHING. Let's stay in touch.

WHO'S AFRAID OF A GOVERNMENT SHUT DOWN?

As this is written, there is a partial government shut down in effect. Few Americans have suffered inconveniences so far. Yes, we know the bears in the Smokies are unsupervised and we wish them well. Not knowing any bears personally, we don't know for sure but have heard that they are normally partially shut down this time of year anyway. Maybe it will work out well for them.

Knoxville Teachers Federal Credit Union will not be shut down due to the great impasse going on in Washington. Whether you see the lighter side of the matter or have serious concerns about this shut down of part of our federal government, you can rest assured that your credit union can perform all of the day to day services that you may need from your credit union. So even if the bears in the Smokies are running wild with no government oversight, your credit union will be available to members with the same reliability to which you are accustomed.

	1st Quarter 2018	2nd Quarter 2018	3rd Quarter 2018	4th Quarter 2018	Yearly Average APY
Credit Union Premium Shares	0.58%	0.80%	0.90%	1.0%	0.82%
Credit Union IRA	0.58%	0.80%	0.90%	1.0%	0.82%
Bank 6 Month CD*	0.19%	0.21%	0.26%	0.3%	0.24%
Bank 1 Year CD*	0.32%	0.37%	0.44%	0.5%	0.41%

(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.

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STILL PAYING FOR CHRISTMAS, 2017?

Many Americans are still paying on purchases made for Christmas of 2017 or even earlier. (Over 50%, according to a recent report.) That unfortunate truth will cause each coming Christmas to be more stressful for many Americans. That old reliable credit card balance can become a burden.

Stop and take stock of your credit card balance. Maybe this new year of 2019 can be the beginning of a better way. Get a credit card consolidation loan from your credit union and begin to restrict the use of that credit card to balances you pay off in full each month. This will require resolve and self discipline but will help you to a more stress free life. It will also help you escape from double digit interest rates.

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

East/Downtown

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

South Office

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

Farragut Office

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

Halls Office

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

North Office

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

Bearden Office

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

Powell Office

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

Carter Office

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

Clinton Office

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

Anderson Co. Courthouse

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

Oak Ridge Office

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

All locations are open 9-5 weekdays,
except January 1 (New Years Day) and
January 21 (Martin Luther King, Jr. Day)

Virtual Branch - <https://ktfcu.org>
24-Hour Telephone Teller - (865) 582-2800

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 2018. 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 mortgage interest Form 1098 will be mailed by or before January 31.

IRA account transactions and yields for 2018 are reported on your December 31, 2018, statement. (Reminder: any current contribution in a nondeductible IRA must be accompanied by Form 8606 when you file your 2018 IRS report. 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 2018, you will receive a form 1099R before the end of January. If eligible, you may contribute up to \$5,500 for 2018 until April 15, 2019. Amounts for both years may be increased for members over fifty years of age by \$1000. (Any contributions you made for 2018 will be reported to you on a form 5498 that will be sent to you in May, 2019, to allow us to include any additions you may have made up until the time you file your 2018 IRS tax return. This form is for your records and is not required for your tax return unless there is withholding.)

Deferred Compensation (457) account participants who made withdrawals from their DCP 457 account in 2018 will receive a 1099R tax form by the end of January.

The Annual Meeting of members will be held at 5:30 pm on Thursday, February 21, 2019, at a unique setting for this event. The Knoxville High School building which was later used as the Knoxville Board of Education building is now an iconic residential facility. The management of that building has invited Knoxville Teachers Federal Credit Union to "come back home" for this 2019 meeting. As most know, your credit union was founded in that building and occupied a space there for almost eighty years. To locate the meeting area, enter from the Lamar Avenue (or east) side of the building. There will be signage to guide you.

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 February 28, 2019. If further postponements are required, the meeting will be held on the first Thursday when weather and other conditions allow.

The financial report for 2018 will be included in the report for March 31, 2019.

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. Our offices are affected by the same weather as the school systems around us, so we urge you to call 582-2700 before you start out on a snowy day. We will try to be present to serve you. All online services will operate normally on snow days.

LIFE IS NOT A TENURED POSITION

As we experience the loss of friends and family members, we must recognize that life is a serious business but by no means permanent. We have little control over life but let's look at the "little" part. We can control spending. We can control saving. Those two factors contribute to the thing called financial security.

Here are a few truths that financial security or lack of it will validate.

- It is better to have money than not.
- A nice smile and money will get you further in life than a nice smile alone.
- Be pleasant to the clerk when making a purchase, but count your change.
- It is less stressful to write a check if money is in your checking account.
- Riding a bike without a seat will keep you on your toes but so will being out of money.

Life may not be permanent but it is serious enough to live it well. Managing your money is a part of living it well. Knoxville Teachers Federal Credit Union is a good place to be while you are living your life.

A FEW PREDICTIONS FOR 2019

Interesting things will happen.

- The media will report them until you wish they wouldn't.
- The government shut down will end. You may wish it wouldn't.
- Taxes reporting will be due by April 15. We won't know what the tax law did until then.
- The Super Bowl will be played and so will commercials.
- Everyone will have a birthday and be surprised that you have lived this long.

THE HOLIDAYS ARE OVER

Now that the holidays are over and you've enjoyed the time with family and close friends, we can now reflect once again on how nice it is to be with total strangers.