



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

C U NOTES

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

December 31, 2019

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

DIVIDENDS FOR FOURTH QUARTER OF 2019 ANNOUNCED

The Federal Open Market Committee, commonly referred to as The FED, made another significant cut in the nation's interest rate environment. As expected, yields on savings stalled and began to drop slightly. As members of your credit union have learned to expect, Knoxville Teachers Federal Credit Union did not reduce yields on savings. It has been a traditional position for your credit union to pay the highest possible on dividends on savings. More significantly, the declines in interest rates continued into the beginning of the fourth quarter of 2019. Your credit union continues to use the beginning of each quarter as a bench mark for comparisons. This strategy allows members to be able to make decisions at the beginning of each quarter. Most decide to rely on Knoxville Teachers Federal Credit Union to remain the best decision.

Your credit union's dividend rate compares well with time deposit (certificates of deposit) rates paid by local banking institutions. However, there are no restrictions or delays in accessing funds on member deposits at Knoxville Teachers Federal Credit Union.

Your Board of Directors approved a dividend to be paid on December 31 for the period of October 1 to December 31, 2019, at **one percent APY** on all deposits in excess of \$25,000. Shares on deposit between \$5,000 and \$25,000 were paid a dividend of **0.60% APY**. Shares under \$5,000 earned a dividend of **0.25% APY**. For comparison, we provide a chart elsewhere on this page.

Shares in Knoxville Teachers Federal Credit union are federally insured under the provisions of the National Credit Union Administration. Shares on deposit in the 457(b) tax shelter accounts will continue to earn a dividend at the same rate as the past several quarters.

WE HAVE AN UNFAIR ADVANTAGE

OK, we must acknowledge that Knoxville Teachers Federal Credit Union has an unfair advantage over other credit unions and banks. We serve only teachers and other school employees and their family members. It may sound snobbish to say it but we must. Serving a smaller community of selected people shelters the credit union from many of the problems of the modern world.

School system employees have a tradition of frugality and reliability. These characteristics appear to have been somewhat eroded in our general population. You might ask, are we not required by law to open membership to all? The answer is NO. Our charter limits our membership to public, private and parochial school personnel. The next question might be, is it possible to take steps to open membership to all. That answer is YES. However, careful examination shows that the current membership field will be better served if all of the assets and efforts of the credit union can be targeted to this smaller group.

Is this an unfair advantage? Perhaps. But this credit union was founded by teachers for teachers and the Board of Directors are from this membership field. By working together, we can remain strong and provide a unique benefit to teachers and their families.

It's important that current members remind others in education that membership in this exclusive group is available.

	1st Quarter 2019	2nd Quarter 2019	3rd Quarter 2019	4th Quarter 2019	Yearly Average APY
Credit Union Premium Shares	1.00%	1.00%	1.00%	1.00%	1.00%
Credit Union IRA	1.00%	1.00%	1.00%	1.00%	1.00%
Bank 6 Month CD*	0.38%	0.42%	0.45%	0.41%	0.42%
Bank 1 Year CD*	0.68%	0.70%	0.71%	0.59%	0.67%

*(Rates are as of first of each quarter.)
The APY rate printed on your statement is the composite of your share deposit yields as described above.
Published by www.fdic.gov

NEWS YOU CAN USE

Families who are concerned that loved ones who may be in danger of getting lost or confused may want to explore a service offered by the Knox County Sheriff's Office. "Life Saver" is a service that is available at no cost to families meeting the criteria of this service. A tracking device can be placed on the wrist or ankle of the person who is at risk. This device can assist in locating the person should they become lost. If you want more information, there are two phone numbers that you will find useful. Call 865-215-5633 or 865-824-8848. Other counties may have similar programs.

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 1 (New Years Day) and
January 20 (Martin Luther King, Jr. Day)

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

24-Hour Telephone Teller - (865) 582-2800

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 2019. No such report will be sent in cases in which the interest amounts to less than \$600 for the year even though it is eligible to 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. Both this and the real estate interest Form 1098 will be mailed by or before January 31.

IRA account transactions and yields for 2019 are reported on your December 31, 2019, statement. (Reminder: any current contribution in a non-deductible IRA must be accompanied by Form 8606 when you file your 2019 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 2019, you will receive a form 1099R before the end of January.

If eligible, you may contribute up to \$5,500 for 2019 until April 15, 2020. Amounts for both years may be increased for members over fifty years of age by \$1000. (Any contributions you made for 2019 will be reported to you on a form 5498 that will be sent to you in May, 2020, to allow us to include any additions you may have made up until the time you file your 2019 IRS tax return. This form is for your records and is not required for your tax return.)

Deferred Compensation (457)b account participants who made withdrawals from their DCP 457 account in 2019 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 20, 2020, at a new setting for this event. After a return home for last year's meeting at our long time home in the Knoxville High School building, we look forward to greeting our members in the lobby of our main office building at 711 North Hall of Fame Drive.

If you find parking at the front of the office full, there is ample parking available in the lot on the south 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 27, 2020. If further postponements are required, the meeting will be held on the first Thursday when weather and other conditions allow.

The financial report for 2019 will be included in the report for March 31, 2020.

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 are canceled to see if the credit union office you want to visit is open. We will try to be present to serve you.

DO IT FOR THE KIDS

This is not an appeal to send a contribution to a charity. This is our frequent appeal to members to do the right thing for your family and heirs. There is a tripod on which responsible people structure their lives. Those three legs to the tripod are (1) A will (2) Power of Attorney (3) Health Care Power of Attorney.

It's a new year. It is time to do this thing. First, let's discuss wills. Yes, you can write a will in your own handwriting. You can get a pretty decent will form from the Internet. Our best advice, however, is to spend that small amount of money to engage a competent attorney to prepare your will. A good attorney will have a list of questions to ask that will prevent your will from having a gap in the instructions you leave. Often, the self-help efforts at will making leave a significant issue unresolved. Why not do it right? You don't do your own dental work, do you?

Power of Attorney documents should be carefully considered. Granting a power of attorney should be restricted to those in whom you have full and complete confidence. Such authority may be very important in cases of long term illnesses, absences and other times in which you cannot conveniently conduct your own affairs. Putting this off until you need it is like buying auto insurance right after the wreck. Do it now. A comforting thought is that you may revoke a power of attorney. Again, we recommend getting professional assistance from a competent attorney. Most medical services people will ask if you have prepared a Health Care Power of Attorney. This document may be prepared by an attorney but many hospitals and health care providers will provide an adequate form to be used.

Don't put this off until another year passes. In those times after a family member dies or encounters a long term health event, there is an abundance of stress and a shortage of time and energy. You and your family will be glad these documents exist and are in an accessible place. Set up your tripod. Do it for the kids!!