



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

C U NOTES

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

December 31, 2022

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

DIVIDENDS ANNOUNCED FOR FOURTH QUARTER OF 2022

After a long wait, yields on money on deposit are beginning to rise. Not a lot, for sure, but still an increase from the minuscule rates of these past years. As usual, Knoxville Teachers Federal Credit maintained a margin above the area and national rates.

Your Board authorized a dividend rate for this fourth quarter (October 1 to December 31) that continues providing that margin. The dividend for the fourth quarter of 2022 increased to 0.65% APY on all shares in excess of \$10,000. Shares below \$10,000 earned 0.10% APY. These rates apply to all types of accounts, including checking, escrow and savings. Tax deferred accounts are handled somewhat differently. IRA accounts are paid at the higher rate from the first dollar to the last. Our DCP 457(b) account authorized for and by Knox County School employees will continue to earn a dividend of 1.50%.

Please review the comparison chart elsewhere on this page. The national averages are as of October 1 to make the comparisons in the same period of time. Those national rates are based on data from FDIC. We acknowledge that few financial institutions are in such need of funds to produce some isolated rates that are higher. Some are even significantly higher. Normally, those are for shorter periods of time.

SPECIAL NOTE TO MEMBERS WITH HOME MORTGAGES

This year, more than normal, members who have home mortgages may have an unplanned increase in monthly expenses. This is true whether your mortgage is with Knoxville Teachers Federal Credit Union or with a commercial lender.

Home owners insurance premiums have experienced a general increase due to the rapid increase in the market and replacement value of your home. Some home owners may find that the monthly payment into your escrow is not sufficient to make the full payment. This can cause either an increase in future escrow payments or a required deposit to complete the current payment due – or both!

Additionally, inflation has caused most local governments to have to increase property taxes on homes and other real estate. If you own property in a jurisdiction that has increased property taxes, you may find a separate increase similar to the insurance costs described earlier.

We invite members to contact the credit union to discuss the appropriate increases you should make to meet these inflation related costs of property ownership.

We remind members that these costs *ARE NOT DETERMINED BY YOUR CREDIT UNION*. Your choice of insurance companies and the coverage provided as well as property taxes are not within the control of your officers or staff. Knoxville Teachers Federal Credit Union provides escrow service without a fee or cost to members. In fact, your credit union pays a dividend on your escrow balance—a practice almost unheard of among lenders.

	1st Quarter 2022	2nd Quarter 2022	3rd Quarter 2022	4th Quarter 2022	Yearly Average APY
Credit Union Premium Shares	0.35%	0.50%	0.55%	0.65%	0.51%
Credit Union IRA	0.35%	0.50%	0.55%	0.65%	0.51%
Bank 6 Month CD*	0.09%	0.09%	0.17%	0.34%	0.17%
Bank 1 Year CD*	0.13%	0.15%	0.25%	0.60%	0.28%

*(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

BANDITS ARE EVERYWHERE

An 8.7% cost of living (COLA) increase in monthly Social Security benefits for 2023 has been announced. While that's welcome news for those who depend on that as a supplement or sole source of retirement income, it's provided a new gimmick for fraudsters. You may be contacted by someone "from the Social Security Administration" who wants to warn you of identity theft or some other problem. The SSA has announced that they won't generally contact you by phone, and they'll NEVER use email, text message, Facebook or any other method besides good, old fashioned, mail.

They'll also never threaten you, suspend your SSN, demand immediate payment, or require payment by cash, crypto, gift cards, prepaid cards or wire transfer. Nor will they ask you for your bank or credit union account information. If this happens to you, stop communicating with them immediately and report the attempted fraud at oig.ssn.gov.

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

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

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

North Office
108 Hillcrest Dr.
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

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

Halls Office
6925 E Maynardville Hwy.
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

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 Years Day) and
January 16 (Martin Luther King, Jr. Day)

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

RECESSION: YES OR NO?

The answer to that is all dependent on which cable channel you watch or to which political party you are affiliated. Does it matter? We can all agree that prices of gasoline and groceries have gone up and will likely continue to increase for a period of time.

Your credit union is adjusting our rates on loans and dividends paid to saving members. The process continues. We try to pay the best rate we can afford from the income made on loans. If members can borrow elsewhere for less, we must charge an even better rate. If saving members can move their savings elsewhere, we must pay an even better dividend to assure that we can meet loan requests.

We are different in only one major way. We operate on a thin margin. We continue to operate and provide full services to members but at about two thirds the cost of delivery found in most credit unions. The secret is simple. We do not try to attract everyone in the world to join. We accept only school employees and their family members. We try to serve fewer people but better. It has worked for over ninety years.

We won't join in the debate on whether we are in a recession, about to go into one or any of those issues. We will continue to adjust to conditions as they develop.

WALKIN' AFTER MIDNIGHT?

Patsy Cline fancied taking walks at odd hours. Maybe you do as well? If so, may we suggest taking your phone with you? It works as a great flashlight *and* gives you access to your credit union app which now includes MyCard! MyCard offers you the ability to make purchases with your phone anywhere that offers Google pay, Apple pay, Samsung pay, Garmin Pay & Fitbit pay. You can also track your spending on all those midnight snacks. Walking makes a person hungry. (We're not judging.)

While we don't recommend strolling by yourself late at night looking for a date, we highly recommend updating your credit union app anytime of day or night!

ANNUAL ANNOUNCEMENTS

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.

Real estate interest is 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 2022. 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.

IRA account transactions and yields for 2022 are reported on your January 1, 2023, statement. (Reminder: any current contribution in a nondeductible IRA must be accompanied by Form 8606 when you file your 2022 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 2022, you will receive a form 1099R before the end of January.

If eligible, you may contribute up to \$6,000 for 2022 until April 15, 2023. Amounts for both years may be increased for members over fifty years of age by \$1,000. (Any contributions you made for 2022 will be reported to you on a form 5498 that will be sent to you in May, 2023, to allow us to include any additions you may have made up until the time you file your 2022 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 2022 will receive a 1099R tax form by the end of January. If you are required to make a Required Minimum Distribution due to your age, we have made that withdrawal for you. Normal withdrawals may be made if desired.

The Annual Meeting of members will be held at 5:30pm on Thursday, February 16, 2023, in the offices of the credit union at 711 N. Hall of Fame, Knoxville, Tennessee, 37917. This is a meeting of members and is a requirement of the National Credit Union Act. The items on the agenda are routine to conduct the required business of the credit union. No other matters are expected to come before the membership for action.

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 2, 2023. If further postponements are required, the meeting will be held on the first Thursday when weather and other conditions allow.

The financial report for 2022 will be included in the report for March 31, 2023.

Our snow policy continues to be pretty simple. If schools are closed for the safety of students and teachers, we assume our owners 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. Please call before you start out on a day when schools have been canceled. We will try to be present to serve you.