

MONTHLY NEWSLETTER OF THE POLISH & SLAVIC FEDERAL CREDIT UNION

Dear Members,

We have another important year of operation of the Polish & Slavic Federal Credit Union behind us. We will provide you with a summary of our financial results for 2016 in the next edition of our newsletter, but at this time I can say that it was a financially successful year, during which our Credit Union enjoyed a significant increase in assets, capital, and, most importantly, membership. In the year gone by we also opened another location, a very modern branch of our Credit Union located in Wallington, NJ, thus increasing the total number of our branches to 17.

In 2016, the Polish & Slavic Federal Credit Union celebrated the 40th anniversary of its inception. The observance of the anniversary provided an opportunity to recall how our Credit Union was established as well as to showcase the huge success we have achieved in the first forty years of our existence. We owe this success primarily to the confidence of the thousands of our members who have been making use of our services for many years, the hundreds of employees who have devoted their professional lives to our Credit Union, and many people who work as volunteers on the Board of Directors or other bodies to ensure that our Credit Union serves the Polish community as best as possible.

The observance of our Credit Union's 40th anniversary was culminated at two Holy Masses celebrated at the Shrines of our



Lady of Czestochowa in Merrillville, IN (August 14, 2016) and Doylestown, PA (September 4, 2016). More than 2,000 of our members attended both services.

Other events in observance of the PSFCU's anniversary included a series of six unforgettable concerts of the Golec uOrkiestra, attended by almost 8,000 members of our Credit Union from New York, New Jersey and Illinois.

In the bygone year we continued our financial support for the Polish community with even greater commitment, if only to mention \$360,000 allocated for the scholarship program and nearly \$450,000 donated to Polish ethnic organizations, parishes and Polish language schools.

As part of our marketing sponsorship, our Credit Union was the main sponsor of many Polish community events, including the Pulaski Day Parades in New York and Philadelphia, the May 3 Constitution Day Parade in Chicago, and the visit of the Polish Army Honor Guard Orchestra.

2016 was also the year that we observed

the 1050th anniversary of Polish Christianity. Our Credit Union actively sponsored and was involved in events related to the observance on the US East Coast (such as the Pilsudski Institute academic session), as well as in Illinois.

In conclusion, I would like to thank you for your confidence in and active support of our Credit Union in the year passed. I am also thanking my colleagues from the Board of Directors and the Supervisory Committee, as well as all the Credit Union employees, for their daily commitment and professionalism. Each of us has definitely contributed to another very successful year of our Credit Union's operation. On the verge of the New Year, on behalf of the Board of Directors and the Supervisory Committee, I wish you success and happiness in 2017.

Sincerely,

Malgorzata Gradzki
Chairwoman of PSFCU Board of Directors

PSFCU In Numbers

information as of November 30, 2016

Assets

\$1,767,777,511

Loans

\$978,769,942

Net Worth

\$168,316,867

Number of Members

89,063



Minister A. Kwiatkowski, prof. P. Wilczek (Polish Ambassador in Washington), P. Janicki (Polish Consul General in Chicago), M. Golubiewski (Polish Consul General in New York) with PSFCU representatives

Christmas Wafer Sharing at PSFCU

As every year in early December at the headquarters of the Polish & Slavic Federal Credit Union in Brooklyn NY, our volunteers, management, employees and friends celebrated the upcoming Christmas holidays and wished each other a Happy New Year. According to tradition, we broke the Christmas wafer, exchanged best wishes and sang Polish carols together.

This year our building at 100 McGuinness Boulevard in Greenpoint was honored by the presence of distinguished guests such as Minister Adam Kwiatkowski, Chief of Cabinet of the President of Poland Andrzej Duda, Prof. Piotr Wilczek, Polish Ambassador to the United States, Piotr Janicki, Polish Consul General in Chicago, Maciej Golubiewski soon

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Christmas Wafer...

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to assume the post of Polish Consul General in New York, Auxiliary Bishop of the Diocese of Brooklyn Witold Mroziewski, Monsignor Tomasz Grysa, First Secretary of the Holy See to the United Nations, and Prof. John Lenczowski, founder of The Institute of World Politics in Washington, DC. "I am here because it is a matter of fact that no important Polish community events on the United States East Coast or in metropolitan Chicago take place without the involvement of PSFCU. On behalf of the President and on my own behalf, I would like to sincerely thank you for that involvement," said Minister Adam Kwiatkowski, Chief of Cabinet of the President of Poland Andrzej Duda. Minister Kwiatkowski recalled that in September, he visited the PSFCU with First Lady of Poland Agata Kornhauser-Duda, awarding seven longtime employees of our Credit Union with the Knight's Cross of the Order of Merit of the Republic of Poland.

"It is no coincidence that I have come to the Polish & Slavic Federal Credit Union on my first official visit in the Polish community" said Prof. Piotr Wilczek, who recently became the Polish Ambassador in Washington. The Ambassador reminded everyone in attendance how important task it is for the Polish-American community to nurture the "good name of Poland".

Guests also included Linda and Bob Ollis, the parents of deceased US Army Staff Sergeant Michael Ollis, who gave up his



Representatives of the PSFCU Board of Directors: M. Gradzki (chairwoman), R. Bak (treasurer) and M. Wierzbowska (secretary) with our guests

life when rescuing a Polish officer in Afghanistan in August, 2013. Bob Ollis pointed out that, although that was the first time they had ever seen each other, his son and Lieutenant Karol Cierpica repulsed a terrorist attack arm in arm, and "they did more in 15 minutes than the United Nations had done in its entire history". "August 28, 2013, was a tragic day for us. But God works in mysterious ways, and on that day we became part of the Polish community, the white and red family," said Bob Ollis.

The blessing by Bishop Witold Mroziewski was followed by the sharing of the Christmas wafer, which was distributed to those in attendance by members of the PSFCU Board of Directors and Supervisory Committee. At the end of the wafer-breaking ceremony, the Polish-American Folk Dance Company presented Polish Christmas melodies sung by carolers dressed as Polish mountain folk.

Elections to the PSFCU Board of Directors

The Nominating Committee of the Polish & Slavic Federal Credit Union is seeking qualified members to serve on PSFCU's Board of Directors. Members wishing to apply should submit a résumé and a narrative describing their interest in becoming a PSFCU director to the Nominating Committee by no later than 7:00 p.m. on Friday, January 27, 2017 via electronic mail to: elections@psfcu.net, fax to (973) 808-3217 or postal mail to: Nominating Committee, Polish & Slavic Federal Credit Union, 100 McGuinness Blvd., Brooklyn, NY 11222.

Interviews with candidates will be conducted by February 4, 2017. The exact date of the interviews will be provided at a later time. Candidates should be prepared to assume the responsibilities of a PSFCU director, which include preparing for and attending monthly and special meetings,

shaping PSFCU's policies, defining its goals and objectives, implementing its strategic plan objectives, and carrying out its mission and vision statements.

PSFCU has adopted qualification criteria for members who are seeking to serve on its Board of Directors, a copy of which can be obtained at www.psfcu.com, by sending a request to: elections@psfcu.net, or by calling 973-808-3240 ext. 6119. These criteria require, among other things, that an applicant be a PSFCU member in good standing, be willing to submit to a background check, and be bondable by PSFCU's insurance carrier. In addition, applicants must be agreeable to the placing of his or her name for nomination and accepting office if elected. Nominating Committee: Dorota Andraka, Malgorzata Czajkowska, Dariusz Pawluczuk, Franciszek R. Piwowarczyk, Tomasz Szybowski.

Homeless & Lonely

For yet another year the Polish & Slavic Federal Credit Union hosted homeless and lonely people from New York. The annual Christmas wafer breaking ceremony organized by the volunteers of SOS Homeless headed by Eryka Volker was held at our Credit Union's headquarters.

The event featured the breaking of the Christmas wafer, which was blessed by Rev. Ryszard Koper, who has been working with the SOS Homeless volunteers for many years. "Love has brought us here. If we are open to that love, we will experience the miracle of the transformation of our hearts in our lives," said the clergyman. "My wish for all of us is that we be together and support each other as Poles always, not just at Christmas time," said PSFCU Board of Directors Treasurer Ryszard Bak on behalf of the hosts of the meeting. The encounter was made possible by the support of the SOS Homeless volunteers, employees of the Polish Consulate in New York, and local businesspeople from Greenpoint, NY.

Individual Retirement Accounts at PSFCU

Polish & Slavic Federal Credit Union currently offers Traditional and Roth IRAs at competitive rates.¹ Both Traditional and Roth IRAs offer special tax advantages. You can choose to contribute to either kind or to both depending on your eligibility.² Also, you can save for your retirement even if you have an employer sponsored retirement plan at work, but with an IRA you have control over your own money.³ Even though investment into an IRA is a wonderful opportunity, the choice of a retirement plan that is best suited to your needs is a complex decision which requires careful planning. **You are advised to consult a competent tax advisor when making any decisions involving your IRAs.** IRAs are federally regulated and you bear full responsibility for any decisions and actions involving IRAs.

Traditional IRA

Contributions you make to a traditional IRA may be fully or partially deductible, depending on your circumstances, and are tax-deferred until distributed. The deduction may be limited if you or your spouse is covered by a retirement plan at work and your income exceeds certain levels.³ Distributions prior to age 59 ½ are considered early distributions and are subject to an early distribution penalty of 10%, unless your distribution qualifies for an exception to the early distribution penalty.⁴ Distributions are required to be taken by Traditional IRA owners at age 70 ½ (Required Minimum Distribution - RMD).

Roth IRA

Contributions to Roth IRA are not tax deductible. However, interest earnings can accumulate tax-free. Contributions can be distributed tax-free and penalty-free at any time and at any age. Earnings can be distributed tax-free and without a 10% penalty if the Roth IRA holder made a first Roth IRA contribution at least five years earlier AND one of the following events occurs: attaining age 59 ½, incurring a disability, payment for a qualified first home purchase (subject to a lifetime limit of \$10,000) OR payments are made to beneficiaries after death. Distributions are not required by Roth IRA owners at age 70 ½.

There are four ways of transferring your retirement savings to an IRA at PSFCU:

Direct Rollover

If you are eligible to receive a distribution from an employer-sponsored retirement plan (401(k), pension plan, etc.) you can rollover your funds to your Traditional IRA at PSFCU.

IRA Transfer

You can transfer Traditional IRA or Roth IRA held at another financial institution to the same type of IRA at PSFCU. There is no limit on the number of transfers, they do not have to be completed within 60 days, and they are not reportable to the IRS.⁵ If you are age 70 ½ or older you can transfer the entire IRA balance, including the RMD (Required Minimum Distribution), but you

must remember to take the full RMD amount by the deadline.

IRA Rollover

IRA Rollover is a two-step transaction. The IRA funds are distributed to IRA owner and must be re-deposited (rolled over) within 60 calendar days to the same kind of IRA at the same or different financial institution. As opposed to the trustee-to-trustee transfer, rollover is a reportable transaction so the distribution and the re-deposit (rollover) are reported. If you are age 70 ½, or older in the year you receive a distribution from your Traditional IRA, you are not allowed to rollover the RMD amount.⁵

Conversion

Besides allowing annual contributions to Roth IRA, the law also allows individuals to convert their Traditional IRAs to Roth IRAs. The conversion amount is subject to federal income tax, but without a 10% penalty. Currently, anyone can convert Traditional IRA to Roth IRA without regard to income level and tax filing status. In general, the converted amount is taxed at the rate effective during the year in which such conversion was completed.

- 1) PSFCU also offers SEP and SIMPLE IRAs.
- 2) Consult your tax advisor on your eligibility to contribute to a Traditional or Roth IRA or any other decisions involving your IRA.
- 3) Consult your tax advisor to determine your eligibility to claim a deduction.
- 4) Consult your tax advisor to ascertain that your penalty-free distribution is qualified.
- 5.) Other restrictions apply.



**Fulfill your New Year resolution
and take care of your financial future**

**TAKE ADVANTAGE OF THE
PROMOTIONAL IRA TERM SHARE
ON 2016 AND 2017 CONTRIBUTIONS**

2.25% APY* FOR 5 YEARS



*APY-Annual Percentage Yield as of 01/02/2017. Promotion is valid for term shares opened between January 2 and April 18, 2017. Funds required to open the term share account must be deposited to a new or existing IRA account during the promotional period. Minimum balance of \$500.00 is required to open a term share account, up to the maximum amount of contribution determined by the IRS for years 2016 and 2017. Early withdrawal penalties may apply. Additional information may be obtained at PSFCU branches or by calling our Member Services Center at 1.855.PSFCU.4U (1.855.773.2848). Consult your tax advisor before making any decision related to an IRA account. Additional information about other term shares offered by PSFCU is available at www.psfcu.com. Offer for PSFCU members only. Membership restrictions apply. Other restrictions apply.

Holiday Spirit at PSFCU

Throughout December you could feel that the Christmas Holidays were approaching at our Credit Union. Meetings with Santa Claus were organized for children at all seventeen branches and the special decor reminded PSFCU members of the most family-oriented holidays for all Polish people.



Santa Claus at our Credit Union

This year Santa Claus visited every branch of our Credit Union, whether it be in New York, New Jersey or Illinois. He had a surprise for each child - a small gift. In addition, everyone who came to one of the seventeen Polish & Slavic Federal Credit Union locations for those few hours had a lot of good holiday fun. There was picture-taking with Santa Claus, face and hand painting, and even dancing and games. It was all in the spirit of the Polish tradition of celebrating Saint Nicholas Day: giving small presents, and above all, the joy of all children on December 6, whose patron



is the legendary saint of the Catholic Church, Saint Nicholas.

For Sick Children

The festive mood was also conducive to the fundraising effort for very sick children in three Polish hospices and in the United States under the annual "Children's Holiday Smile" charity drive. Branch employees encouraged members to make donations and sold handmade wreaths, Christmas tree decorations and home-made pastries. The response of our Credit Union members was excellent, as usual: by the time we closed this issue of Our Credit Union, they had already donated 117 thousand dollars. Every cent of the funds will go to hospices in

Rzeszow, Bialystok and Krakow, as well as to New York's Children's Smile Foundation.

"This is the third time that the Polish & Slavic Federal Credit Union and the Children's Smile Foundation are co-organizing the Children's Holiday Smile fundraising drive, during which we collect money for children's hospices in Poland, as well as to help children in difficult life circumstances in the United States. During the two previous editions, our Credit Union members raised over \$263,000. It is noteworthy that all of that amount was



donated to hospices and the Children's Smile Foundation," said PSFCU Chief Executive Officer Bogdan Chmielewski.

Twoje finanse w zasięgu ręki

Your finances at your fingertips

Your savings. Federally insured. Total reach \$250,000 and backed by the full faith and credit of the United States Government.

NCUA
National Credit Union Administration, U.S. Government Agency
PSFCU is an Equal Opportunity Lender.

Membership restrictions apply. You must be a registered Online Banking User to be able to use Mobile Banking. Internet connection fees may be applied by your cellular service provider. Other restrictions may also apply.