



STATELINE

ARIZONA STATE CREDIT UNION

THIRD QUARTER 2014

YOUR ACCOUNTS

All About EMV

You may have heard that, in September 2014, if you have a credit card with Arizona State Credit Union, you will be receiving a new credit card outfitted with EMV chip technology to protect against fraud. What exactly is this technology and how can it safeguard your information? Read on to learn more about EMV and how it will change the future of credit card transactions in the United States.

What is EMV?

EMV (Europay, MasterCard®, Visa®) is micro-computer chip technology that provides increased security capability. Chip card technology originated in Europe, and has been instrumental in preventing the spread of credit card fraud. Arizona State Credit Union is one of the first financial institutions in the United States to implement EMV chip card technology, which will give you the ability to make purchases using the EMV chip on your credit card once more merchants have implemented payment processing services that support this technology.

How it Secures Card Information

EMV chip cards are inherently more secure due to card authentication, cardholder verification and transaction authorization features. Chip cards are equipped with a small metallic square on the front of the card that holds your information. This chip, known as a contact plate, houses your card information.

What you Need to Know about the Future of Credit Card Transactions




When you use your card to make a purchase in a store, it is verified as soon as it is made, making it more difficult for fraudsters to obtain your information.

Magnetic Strip vs. Chip

What makes EMV chip cards more secure than the magnetic strip that is currently in place on your cards? EMV chip cards have the ability to encrypt data, which means that only authorized users can access your information. Having encryption technology in place makes it extremely difficult for fraudsters to access or use information stored on your card, and makes it very challenging to create duplicate cards. These capabilities help to protect against card fraud and provide an enhanced level of comfort when making purchases.

Additional Features

EMV chip cards come with dual-purpose technology to enhance your purchasing capabilities. You will still have the ability to make purchases using the magnetic strip on the back of your card, and will not need to have your card reissued once more merchants have EMV card readers in place. Additionally, EMV technology is supported in 80 countries abroad, making your purchasing experience while traveling that much easier.

If you have a credit card with the Credit Union, update your contact and address information to ensure you receive your EMV chip card. For more information about EMV, speak with a local branch associate or visit us online at azstcu.org/EMV. 



THE YEARS AHEAD

Retirement Approaching?

Tips for Those Over Age 50

In your 50s (or 60s) and behind in your retirement planning goals? Don't fret. You've still got time to get your financial plan on track. There are many steps that investors can take to better prepare themselves financially for retirement. Here are some tips that may help you make the most of your final working years.

- **Catch up.** If you have access to a 401(k) or other workplace-sponsored plan at work, make the \$5,500 catch-up contribution that is available to participants aged 50 and older. Note that you are first required to contribute the annual employee maximum, \$17,500 for 2014, before making the catch-up contribution.
- **Fund an IRA.** Investors aged 50 and older can contribute \$6,500 annually (the \$5,500 annual contribution plus an additional catch-up contribution of \$1,000). An investor in his or her 50s who contributes the maximum amounts to both a 401(k) and an IRA could accelerate retirement savings by more than \$25,000 a year.
- **Review your investing strategy.** Generally, the nearer to retirement you are, the less investment risk you should take. However, if


you've always been a conservative investor, you may want to get a bit more aggressive. Consider reallocating your portfolio to include a little more equity exposure that could give you the potential for more growth.

- **Consider dividends.** If you do not have access to a workplace-sponsored retirement plan, or you already contribute the maximum to your qualified retirement accounts, consider stocks that offer dividend reinvestment¹. Reinvesting your dividends can help to grow your account balance over time.
- **Make little cuts.** Consider how you can trim expenses while continuing to enjoy life. Some suggestions for quick savings: eliminate or reduce premium cable channels that you do not watch, memberships that you do not use regularly, and frequent splurges on dining out or coffee runs. An extra \$100 a month saved today could make a big difference down the road.
- **Consider bigger cuts.** If you find yourself very deeply in debt, it may be time to make some bigger decisions. Review your spending thoroughly. If you can't keep up, it may be time to downsize.

- **Review strategies for postponing retirement.** If you are thinking about working longer than you had previously anticipated, you are not alone. Nearly one-quarter of Americans surveyed said they will probably retire later than planned². If working longer for your current employer doesn't thrill you, explore learning new skills that could increase your marketability to potential employers. Even a part-time job in retirement could reduce your need to deplete your assets.

Most Important Tip: Don't Give Up

Many pre-retirees falsely believe that there is nothing they can do to build retirement assets and, as a result, do nothing. Remember that you control how much you invest and, in many areas, how much you spend. Make a plan – and stick with it.

Your retirement security is very important. A smart first step to keeping your retirement strategies on track is to contact a qualified financial professional. For any retirement inquiry, please visit your local branch or call **877.566.0517** to schedule a no-cost consultation with our financial professional. 

¹ Investing in stocks involves risk, including loss of principal. ² Source: Employee Benefit Research Institute, 2013 Retirement Confidence Survey, March 2013. 1-252256

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The Savvy Saver: How to Save Money at the Grocery Store

At one point or another, we have all spent too much money at the grocery store. Perhaps we just had to have that bag of chips, or we saw a buy 10, get 10 free deal on liters of soda. Here are a few tried and true tips to ensure you don't overspend.

- **Make a list.** Write down everything you need and stick to it. Having a list helps you maintain focus and will give you a guideline to follow while in the store. If you go in without a list, it can be easier to become distracted, which can cause you to overspend.
- **Plan your meals for a week.** Take the time to determine what is on your menu for the week. Be sure to include snacks in addition to your other meals. Knowing what you will be making ahead of time gives you the opportunity to plan accordingly. Purchasing a week's worth of meals rather than for two weeks or a month also ensures that the food items you choose will remain fresh, so you will not spend extra money on food that could go to waste.
- **Check out your local store deals.** Most grocery stores have deals that are specific to each location that can be found on their websites. Looking at the store's website ahead of time will help you plan what is on your menu for the week based on what's on sale. Another great way to find store deals is to scan your newspaper for ads, or to grab a catalog from your favorite grocery store.
- **Do not shop when you're hungry.** This one is very important. Shopping when you're hungry can lead to impulse buying, causing you to spend money that you did not plan for. Eating before you shop will help ensure you stay focused on the task at hand, and you will not be so easily distracted by the inviting displays throughout the store.

Do you have any great savings tips? Let us know by visiting us online at azstcu.org/savvysaver. ✈

Protect Your Purchasing Power: Signature Debit vs. PIN-Based Transactions

Have you ever wondered what the difference is between signature and PIN-based debit card transactions? Let us shed some light on the subject so that you'll be prepared to make a choice during your next shopping trip.

What is the Difference?

When using your debit card, you have the option to either use your PIN or your signature, which is known as a signature debit transaction. When you swipe your card to make a purchase, you are presented with the option to pay either debit or credit. If you choose the debit option, you will have to put in your PIN. If you choose the credit option, you would be required to sign for your purchase.

One of the main differences between PIN and signature-based transactions is the amount of time the transaction takes to process and reflect on your account. PIN transactions often post the same day your purchase is made, and you will see it as a pending item on your account. Signature debit purchases can take two or three days to process, meaning that the money is not deducted from your account in real time.

The Pen is Mightier than the PIN

To ensure your account information remains secure, signature debit is often the best choice when making a purchase. Signature debit purchases allow for more time to ensure that you are the one who made the purchase, and also gives you time to dispute a transaction any questionable charges on your account. By signing for your purchase, you will have an added level of comfort by knowing that your



purchases will be verified during the time they take to process.

Visa Protection Measures

One of the biggest benefits of using signature debit is the Visa® Zero Liability policy. Visa ensures that all signature-based transactions are covered in the event that you are a victim of fraud. This policy only covers signature-based transactions, and, so long as your account is in good standing, you can rest assured that your purchases will always be confirmed by Visa.

Verified by Visa provides an additional layer of protection when making online purchases. Verified by Visa confirms an online shopper's identity by requiring them to put in a password when making a purchase on a website. Adding Verified by Visa protection to your card requires a one-time activation on Visa's website to set up a password. After setting up your account, you will have an added layer of protection and peace of mind while making online purchases.


For more information about Visa's Zero Liability policy and Verified by Visa, visit visa.com/security. ✈



Important Notice

Payments from your IRA are subject to federal income tax withholding, unless you elect no withholding. You may change your withholding election at any time prior to your receipt of a payment. To change your withholding election, complete the appropriate form provided by Arizona State Credit Union. Withholding from your IRA payments, when combined with other withholdings, may relieve you from payment of estimated income taxes. However, your withholding election does not affect the amount of income tax you pay. You



may incur penalties under the estimated tax rules if your withholding and estimated tax payments are insufficient. Consult a tax advisor for additional assistance. 




2014 | Scholarship Announcement

Arizona State Credit Union continues to support Arizonans by providing annual scholarships and grants. The Credit Union will be accepting applications for the 2014 Community Leaders Scholarship and Loan Reduction Grant Program, starting July 1, 2014 – providing much deserved financial support to current students and graduates.

Scholarships will be available to students of Arizona colleges, universities and vocational schools. Loan reduction grants will be awarded to Arizona graduates who achieved academic excellence and contribute to their communities.

- Applications accepted between July 1, 2014, and August 15, 2014
- Recipients announced on or around September 15, 2014
- 18 awards from \$1,000 to \$4,000
- One \$4,000 Quentin Bogart Scholarship for an ASU student pursuing a degree in education

Applications are available online at azstcu.org/scholarship. 

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Congratulations to Our Gas Card Winner!

Congratulations to Meda S. from Glendale, our \$50 gas card winner from the first quarter newsletter survey. Thank you to all of our members for providing your valuable insights regarding our newsletter. We appreciate your ongoing support of Arizona State Credit Union, and look forward to continuing to support your financial needs. 



Working as One