

# **IBEW & United Workers Federal Credit Union**

## **Rate Schedule**

### **Savings, Checking, and Share Certificates**

#### **TRUTH-IN-SAVINGS DISCLOSURES**

**1. Rate Information:** The Dividend Rate and Annual Percentage Yield on your accounts are set forth. The Annual Percentage Yield is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. The Dividend Rate and Annual Percentage Yield are declared monthly for all accounts, except Share Certificates which may be declared daily. For Share Certificates, the Dividend Rate and Annual Percentage Yield are fixed and will be in effect for the term of the Certificate. The annual Percentage Yield for Share Certificates is based on an assumption that dividends will remain on deposit until maturity. A withdrawal will reduce earnings.

**2. Nature of Dividends:** For Regular Shares, Freedom Plus Checking, Invest Accounts, Holiday Clubs, Tax Clubs, and IRA Shares, dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period. The Dividend Rate and Annual Percentage Yield set forth above are the prospective rates that the Credit Union anticipates paying for the applicable dividend period.

**3. Compounding and Crediting:** Dividends will be compounded monthly and paid on the last day of the month. For dividend bearing accounts, except Share Certificates, the Dividend Period begins on the first calendar day of the month and ends on the last calendar day of the month. For Share Certificates, the Dividend Period begins on the day of the month the Certificate is opened and ends on the same day of the month for each month thereafter, until maturity.

**4. Balance Information:** The minimum balance required to open each account is set forth above. The minimum balance required to open the Regular Share Account and maintain membership is \$20.00 (par value of one share). The minimum required balances set forth are required to earn dividends on the specific account types. Dividends are calculated by the Average Daily Balance method which applies a daily periodic rate to the average daily balance in the account for the period. The average daily balance is determined by adding the principal in the account each day of the period and dividing that sum by the number of days in the period.

**5. Accrual of Dividends:** Dividends will begin to accrue on cash and noncash deposits (e.g. checks) on the business day you make the deposit to your account. Except for Share Certificates, if you close your account before accrued dividends are credited, accrued dividends will not be paid.

**6. Account Limitations:** Account limitations for each account are set forth. For Regular Share and Invest accounts, in which transaction limits apply, no more than six (6) preauthorized, automatic, or telephone transfers may be made to another account of yours or to a third party in any month and no more than three (3) of these six (6) transfers may be made by check or Debit Card to a third party or your account may be closed.

#### **Share Certificate Features:**

a. **Account Limitations.** Additional deposits are not allowed after a Share Certificate is opened. Withdrawals are not allowed, except dividend withdrawals.

b. **Maturity.** Your Share Certificate matures within the term set forth above or maturity date set forth on your Share Certificate Receipt or Renewal Notice.

c. **Early Withdrawal Penalty.** A penalty will be imposed for withdrawal of any of the principal balance of your Share Certificate before the maturity date.

**Amount of Penalty.** For all Share Certificates, the amount of penalty is calculated as follows: 3 mos=30 days penalty, 6 mos=60 days penalty, 12 mos=90 days penalty, 18 mos=120 days penalty, 24 mos=150 days penalty, 36 mos=180 days penalty on the withdrawal amt.

**How the Penalty Works.** The penalty is calculated as a forfeiture of part of the dividends that have been or would be earned on the account. It applies whether or not the dividends have been earned. In other words, if the account has not yet earned enough dividends or if the dividend has already been paid, the penalty will be deducted from the principal.

**Exceptions to Early Withdrawal Penalties.** At our option, we may pay the account before maturity without imposing an early withdrawal penalty under the following circumstances:

(I) When an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.

(II) Where the account is an Individual Retirement Account (IRA) and any portion is paid within seven (7) days after establishment, provided that the depositor forfeits an amount of at least equal to the simple dividend earned in the amount withdrawn; or where the account is an IRA and the owner attains age 59 1/2 or becomes disabled.

(III) Serious medical emergency w/ President's/CEO's approval.

d. **Renewal Policy.** Share Certificates renew automatically for another term upon maturity. There is a seven (7) day grace period after maturity, during which withdrawals are permitted without penalty.

e. **Nontransferable/Nonnegotiable.** Your Share Certificate is nontransferable and nonnegotiable. The funds in your Share Certificate may not be pledged to secure any obligation of an owner, except obligations with the Credit Union.