

Items of Interest

The Quarterly Newsletter of the Merck Employees Federal Credit Union



Spring 2019

Protect Your Debit Card with Merck Employees FCU's Card Valet

Did you know that with a Merck Employees FCU Visa Debit Card you have access to CardValet—a mobile app that helps reduce account fraud by allowing you to monitor your accounts with your smartphone and control how, when and where your debit card is used?

Available in the Apple® App or Google® Play stores, once CardValet is set up, you have the ability to “turn off” your card when not in use, establish transaction spending limits and decline a transaction when the amount exceeds a predefined threshold. Plus, real-time smartphone alerts can be customized based on the types of information you would like to receive. For example, you can set up an alert to be notified when your card is used, when a transaction is approved and exceeds any of the permitted use policies, or when a card transaction has been attempted but has been declined based on the parameters established.

CardValet offers the capability of linking additional accounts to better monitor dependent spending. By using the GPS system on their smartphone, geographic use restrictions can be established for college students along with restrictions on merchant type and spending limits.

Contact the credit union to learn more or visit www.merckcu.com/e-services/card-valet/.

Card Valet®

Share the Benefits of Membership

As a member of Merck Employees Federal Credit Union, you are encouraged to share the benefits of membership with your family (spouse, parents, children and siblings). If you are still an employee of Merck, please also share the benefits with your fellow colleagues. You never know when someone may be in need of a financial product or service that the credit union can assist with.

For a limited time, the credit union will help fund new memberships by giving new members \$25 to open their accounts. For more information, visit a branch or call 732-594-3317.



Join Us for the Annual Meeting

May 1, 2019 at
6:00 pm in the
Rahway Cafeteria
(Bond Street Café)



Litchfield

Special Guest Speaker:

Caroline Litchfield

Senior Vice President, Finance for Merck

****Preregister by calling 732-594-8466.****

**Win a \$1500 Travel Certificate
from CHARTWELL TRAVEL**



MERCK
Employees Federal Credit Union

From the Desk of the President/CEO:

Delivering Value to Members Remains Our Core Philosophy

Merck Employees Federal Credit Union is committed to helping improve the financial lives of our members. We do that by providing great rates, low fees and outstanding member service on a robust product line of financial services. As a credit union, we are structured as a not-for-profit cooperative. This means as a member of the credit union you are an owner of the credit union. Our sole focus is to find ways to return value to our membership.

I am pleased to report that the Merck Employees FCU Board of Directors recently approved an increase in the share dividend rate.

Effective April 1, the dividend rate is now 1.875%, up from 1.750%. Despite the Federal Reserve voting to not raise rates at its most recent meeting, the credit union decided to raise its dividend rate to provide an even more competitive return to our member owners. It is important to note that unlike many other financial institutions, our share accounts do not have any burdensome requirements. Many institutions require customers to keep their money at the institution for a certain number of months or years to earn a higher return, or they require a certain balance to be maintained. Our accounts pay the same great rate regardless of balance or how long the deposits are with us.

We are also looking for ways to deliver value when our members borrow from the credit union. To that end, we have created a special mortgage program that is reducing our normal rate by 0.25%. We are also waiving the \$250 origination fee. These two factors can save our members thousands of dollars on a typical mortgage. I encourage you to explore this program soon if you are planning to purchase a new home.

I am also pleased to announce that the credit union is expanding its hours at the Kenilworth branch. The credit union was previously closed on Wednesdays, but starting April 1 will be open 8:30 a.m. to 1:00 p.m. at that location to make it more convenient for Merck employees to do business with the credit union.

Thank you for your continued membership in the credit union and we look forward to meeting your financial needs for years to come.



Paul Gentile, President/CEO

Password Safety Best Practices

Passwords are commonly sought after by cyber criminals, making it important to protect your password and login information.

Create a secure password that makes sense to you, but not to others. There are a variety of common techniques used to crack passwords and accounts become vulnerable due to the use of simple and widely used passwords.

Cyber criminals use password cracking programs that automatically plug common words into password fields. This is why experts recommend avoiding consecutive keyboard combinations—such as “qwerty” or “asdfgh”, dictionary words, slang terms, common misspellings, or words spelled backwards.

The latest advice is to use a “pass phrase” rather than a password. A “pass phrase” will be 20 characters or more and consist of seemingly random words strung together along with numbers, symbols and upper and lowercase letters. If a “pass phrase” isn’t your thing, make sure your password is long, at least 12 characters or more. Including numbers, capital letters and symbols can make a password more secure. Consider using a \$ instead of an S or a 1 instead of an I— but note that \$1ngle is NOT a good password, thieves are on to this.

Store your passwords securely and consider implementing multi-factor authentication. This protection requires the user to further authenticate themselves by entering a code that is sent via text message or voice message to a phone number on file.

Most importantly, don’t share your passwords with anyone.

Financial Highlights of Last Year

Consolidated Balance Sheet

December 31, 2018 and 2017

ASSETS	2018	2017
Cash.....	\$ 2,962,921	\$ 2,651,836
Investments*.....	1,723,119,167	1,750,808,306
Accrued Interest on Investments.....	7,697,882	6,770,931
Member Loans Less Allowance for Loan Losses.....	149,909,217	165,930,937
Furniture and Equipment Less Depreciation.....	1,589,526	1,603,109
Share Insurance Fund.....	13,736,983	14,280,685
Other Assets.....	1,100,099	1,168,370
TOTAL ASSETS.....	\$ 1,900,115,795	\$ 1,943,214,174

LIABILITIES & EQUITY	2018	2017
Accounts Payable & Accrued Interest.....	\$ 3,313,819	\$ 2,741,894
Dividends Payable.....	7,205,560	5,444,980
Share Accounts.....	1,665,873,570	1,717,741,197
Retained Earning Substantially Restricted.....	223,722,846	217,286,103
TOTAL LIABILITIES & EQUITY	\$ 1,900,115,795	\$ 1,943,214,174

STATISTICAL INFORMATION	2018	2017
Loans Granted.....	\$ 15,708,808	\$ 16,724,019
Number of Loans Granted.....	1,047	1,208
Delinquent Loans.....	\$ 1,631,535	\$ 2,205,711
Number of Delinquent Loans.....	45	59
Number of Members.....	25,090	25,415

FINANCIAL HIGHLIGHTS	2018	2017
Gain (loss) in Assets.....	-2.22%	-2.10%
Gain (loss) in Shares.....	-3.02%	-1.54%
Gain in Equity.....	2.96%	4.23%
Average Share Balance.....	\$ 66,395	\$ 67,588
Average Loan Balance.....	\$ 13,858	\$ 14,807
Market Value of Investments.....	\$ 1,710,531,969	\$ 1,739,850,341

Statement of Income & Expense

December 31, 2018 and 2017

OPERATING INCOME	2018	2017
Income from Loans.....	6,931,553	7,226,609
Investment Income.....	29,971,946	26,094,459
Other Income.....	1,581,288	527,645
TOTAL INCOME	\$ 38,484,787	\$ 33,848,713

EXPENSES	2018	2017
Compensation & Employee Benefits.....	\$ 2,651,668	\$ 2,448,297
Office Operations.....	648,556	688,058
Professional & Outside Services.....	425,907	398,506
Loan Servicing.....	592,128	621,676
Publicity/Promotion.....	30,172	45,693
Network Fees.....	148,670	412,586
Member Insurance.....	-	-
Other.....	628,484	540,394
EXPENSES.....	\$ 5,125,585	\$ 5,155,210

Provision for Loan Losses.....	\$ 257,273	\$ 157,000
TOTAL EXPENSES BEFORE DIVIDENDS....	\$ 5,382,858	\$ 5,312,210
Income from Operations Before Dividends.....	\$ 33,708,943	\$ 28,536,503
Dividends Paid.....	25,515,312	20,671,773
Non-Operating Gain (Loss).....	607,013	1,385,424
NET INCOME.....	\$ 8,193,631	\$ 9,250,154

HOURS CHANGING AT KENILWORTH BRANCH

Beginning Monday, April 1, the Kenilworth Branch Office (located in K-15 Amenities Lobby) will be open five days a week from 8:30 a.m. to 1 p.m.

“Demand for credit union services continues to increase, so we are pleased to offer our members more access to the Kenilworth office with the expanded schedule,” said Paul Gentile, President of MEFCU.

Social Security and Your Retirement

Regardless of when you plan to retire, Social Security will likely be an important part of the road ahead. But many individuals don't realize there are many options to consider when it comes to collecting Social Security. The decisions you make now could help you get more out of your benefits.

Your plans for drawing Social Security are a critical financial decision, and if you know the “rules of the road” it can make a big difference in the success of your retirement journey. Whether it's the timing of starting Social Security or options for you and your spouse to coordinate your income plans, the path you follow could help you get the most out of your benefits.

- What are the rules for collecting your Social Security benefits?
- How can spouses coordinate their benefits and possibly receive more?
- Are there different routes to take that could potentially increase your benefit amount?
- How can Social Security fit within your overall retirement income plan?

These are some of the common questions answered through the MEMBERS Financial Services program. Please contact one of our financial advisors at (732) 594-7705 for more information. The MEMBERS Financial Services program is a no-cost, no-obligation service available at the credit union.

All guarantees are based on the claims-paying ability of the issuer. Representative does not specialize in Social Security issues. For questions about your Social Security benefits, contact your local Social Security office. Representative is neither a tax advisor nor attorney. For information regarding your specific tax situation, please consult a tax professional. For legal questions consult your attorney. Representatives are registered, securities are sold and investment advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor, 2000 Heritage Way, Waverly, IA 50677, 866.512.6109. Nondeposit investment and insurance products are not federally insured, involve investment risk, may lose value and are not obligations of or guaranteed by the financial institution. CBSI is under contract with the financial institution, through the financial services program, to make securities available to members. B2MM-0911-9009SS



MERCK
Employees Federal Credit Union



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Rahway, Bldg. 32/RY32-15: Box 2000
Rahway, NJ 07065
Hours: M-F, 8 am - 1 pm & 2 pm - 4 pm

Upton Place: 397 Upton Place Rahway,
NJ 07065
Hours: M, T, W, F, 8:30 am - 2:30 pm /
Thursdays, 10 am - 6 pm

Whitehouse West: 1 Merck Dr.,
Whitehouse Stn. 08889-0200
Hours: Mondays, Wednesdays & Fridays,
8:30 am - 1 pm

Kenilworth, K-15: 1200 Galloping Hill
Rd. Kenilworth 07033
Hours: M-F, 8:30 am - 1 pm

Stonewall: 2778 South East Hwy, Elkton,
Va. 22827
Hours: M, T, Th, F, 9 am - 12 pm, 1 pm -
4 pm / Wednesdays, 9 am - 1 pm & by
appointment

Email: merck_efcu@merck.com

Website: www.merckcu.com

Main Directory (732) 594-4046

Member Service Department (732) 594-3317

Loan Department (732) 594-3018

Upton Place Branch (732) 594-CASH
(732) 594-2274

Whitehouse West Branch (908) 423-CASH
(908) 423-2274

Kenilworth Branch (908) 740-CASH
(908) 740-2274

Stonewall Branch (540) 298-5822

Shadow 1 24-Hour Telephone Teller or 800-SHADOW1 (732) 594-5200
(800) 742-3691

To report lost or stolen Cards or PINs, call:

For Shadow 2 Visa Check Card (800) 554-8969

For MasterCard or Visa Platinum Credit Card (800) 237-6211

Use CO-OP, PLUS or Exchange ATMs, worldwide, for cash. (60¢ charge at CO-OP ATMs for Credit Union Members.)

For ATM Locations:
• CO-OP ATMs: 1-888-SITECOOP (888-748-3266) or www.co-opatm.org
• PLUS ATMs: 1-800-THE-PLUS (800-843-7587)

For Accel Exchange Cash Back Locations & ATMs:
• 800-519-8883 or www.accelexchange.com



Real Estate Loan Rates

Home Equity	5.50%
<i>Real Estate Loans listed above are Variable Rate based on Prime.</i>	
Fixed Rate 2nd Mortgage - 60 months	
\$50,000 max	3.75%
Fixed Rate 2nd Mortgage - 84 months	
\$25,000 min - \$50,000 max	4.00%

Home Equity Loans on primary residences only in NJ & select counties in PA & VA. Costs may apply in VA. A fee applies anywhere a walk-thru appraisal is required. Ask your professional tax advisor what your savings will be borrowing with a Home Equity Loan.

Call daily for 1st Mortgage Rates or visit:
www.merckcu.com

Click on Mortgage Central. Then scroll down and click on **Quick Quote** to begin. **Rates change daily**

Other Home Equity rates & terms available. Refer to the credit union's Rate & Fee Schedule for full details on all loans. No points or fees for Home Equity Loans or 2nd Mortgages except costs may apply in VA. Refinance from other institutions with no MEFCU fees.

Shadow 2 ATM Locations

No charge of any transaction with a Shadow 2 Visa Check Card at Shadow 2 ATMs.

Rahway	<ul style="list-style-type: none"> • Bldg. 32* (near elevators) • Bldg. 34** (west vestibule) • Bond St. Cafe** (by front door) • Scott Avenue*** (across from Guard House - 24/7)
Upton Place Branch	<ul style="list-style-type: none"> • Upton Lobby Foyer** Available regular business hours only.
Whitehouse Station West Branchburg	<ul style="list-style-type: none"> • Credit Union Lobby** 2 Merck Drive
Kenilworth K1	<ul style="list-style-type: none"> • Main Atrium Lobby**
Kenilworth K15	<ul style="list-style-type: none"> • East of front desk**
Madison	<ul style="list-style-type: none"> • LL Garage Vestibule**
Boston	<ul style="list-style-type: none"> • MRL Boston* 33 Avenue Louis Pasteur
Durham	<ul style="list-style-type: none"> • OSF Bldg.* 5325 Old Oxford Rd.
Stonewall	<ul style="list-style-type: none"> • General Service Facility** • Factory Gate Guard House* 2778 So. East Side Highway

* These Shadow 2 ATMs do not accept deposits.
** These ATMs accept Checks only.
*** This ATM accepts cash or Check deposits.

The Credit Union will be closed on the following days in the second quarter:

Monday, May 27, 2019 for Memorial Day

Projected Rates/2nd Quarter 2019

Savings	APR	Yield
Share Savings & PODs	1.875%	1.888%
IRAs	2.250%	2.269%
Checking with eStatements	0.625%	0.626%
Checking without eStatements	0.125%	0.125%

For additional information, please contact the Rahway Office to obtain a copy of current rates & disclosures.

Current Loan Rates

- New Vehicle & Prior ONE Model Year (100% of purchase price including sales tax and other charges)
- Other Secured Loans - Motor Vehicle Title - maximum = 90% of NADA Loan value

36 months	2.50%
48 months (min. \$8,000 on Other Secured Loans)	2.75%
60 months (min. \$10,000 on New & \$15,000 on Other Secured Loans)	3.00%
72 months (min. \$20,000 on New Vehicles only)	3.25%
- New Vehicle & Prior ONE Model Year (90% of purchase price including sales tax and other charges)
- Other Secured Loans - Motor Vehicle Title - maximum = NADA Loan value

36 months	3.50%
48 months (min. \$8,000 on Other Secured Loans)	3.75%
60 months (min. \$10,000 on New & \$15,000 on Other Secured Loans)	4.00%
72 months (min. \$20,000 on New Vehicles only)	4.25%
- New Vehicle & Prior ONE Model Year (100% of purchase price including sales tax and other charges)
- Used Vehicle - new RVs = 100% of purchase price excluding sales tax & other charges & Used RVs max. = NADA Used Retail value
- Stock Secured - regularly traded on the NYSE up to 70% of current market value
- Bond Secured - up to 70% of current market value

36 months	4.00%
48 months (min. \$8,000 on Other Secured Loans)	4.25%
60 months (min. \$10,000 on New & \$15,000 on Other Secured Loans)	4.50%
72 months (min. \$20,000 on New Vehicles only)	4.75%
- Signature - Ready Money

12 months	9.50%
36 months	11.00%
48 months (minimum \$6,000)	11.50%
60 months (minimum \$15,000)	12.00%
Shared Secured - 72 month max. term	3.875%

Above APRs 0.25% higher when not repaid automatically via EFT - automatic transfer from Share Account

Mastercard/Visa 10.56%
Credit card rates are variable based on Prime.