

A Season of Excitement



Welcome to summer! It's the time of year where baseball games are in full swing and ice-cold sweet tea tastes better. We hope you are enjoying everything this season has to offer.

For this edition of *Investment Insights*, we start with a close look at Houston's booming export business. Our city is leading the nation in exports, and we review how

that positively affects the local economy.

For those who are nearing retirement, you may be wondering what the ideal retirement age is. On page two, we identify some important considerations for deciding when you should retire. They include health concerns and the amount you have saved in your employer-sponsored retirement plan.

Lastly, we focus on a new rule applied to IRAs this year. Beginning in 2015, you are now allowed one rollover from one IRA to another IRA in any 12-month period. We'll outline how this change may affect you.

While you are enjoying every moment of summer, remember us here at Community Resource. We can help with any questions you may have on financial planning or investing. Contact a CFS[^] advisor today at **281.422.3611**, go online at **crcu.org**, or visit one of our branches on Decker Drive or Alexander Drive. See you soon!

Cordially,

Robert Head, CFP[®]
Senior Vice President
Community Resource Credit Union
Financial Advisor
CUSO Financial Services, L.P.

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HOUSTON – A NATIONAL LEADER IN EXPORTS

Houston has continued to surpass New York, Chicago and Los Angeles as America's leading city for exports.

Houston has shipped more goods and commodities than any of those three cities in the last two years.* According to the International Trade Administration, Houston is No. 1 in the nation in global trade, with a total of \$115 billion of merchandise exported in 2013. A few of the top export markets included Mexico, Canada, Brazil and China.**

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WHAT IS THE IDEAL RETIREMENT AGE?

Have you started planning what age you'll retire? Many working Americans expect to retire at age 66, according to a 2014 Gallup poll. But the average retirement age is 62 — and many of these retirements are due to unexpected circumstances (hint: not because of winning the lottery). Would you be financially and mentally ready to retire four years earlier than planned?

WITH NO CRYSTAL BALL ...

Some workers believe they'll need to work longer for financial reasons. Others predict they'll stay on the job in their golden years because they like what they do and want to keep busy. But a health problem affecting you or your spouse can make it difficult to continue working. Your company downsizing or changing the skills required for your job also can quickly thwart plans to retire at a later age. Nearly half the retirees (49%) who responded to the Employee Benefit Research Institute's 2014 Retirement Confidence Survey left the workforce earlier than originally planned (see chart).

If you have a specific retirement age in mind, it may be wise to run the numbers assuming a slightly earlier retirement age. Do your savings hold up? Even if you haven't predicted your ideal retirement age, considering a few different retirement

timelines is smart. A sudden retirement can be a strain on your financial and emotional well-being, so it pays to be prepared just in case.

THE FUTURE STARTS TODAY

The best strategies to prepare for your retirement years are to start saving, keep saving and boost your savings when possible. Contributing to your employer-sponsored retirement plan can be painless through automatic paycheck deductions. Be sure to contribute enough to get the employer match, if offered. When you get a raise,

increase the amount you contribute to your plan. If you're over age 50, you may be able to make an annual catch-up contribution to your plan to boost savings (up to \$6,000 in 2015).

A CFS[^] Financial Advisor at Community Resource Credit Union can help you get started and stay on track toward your retirement savings goals and be prepared if retirement happens sooner rather than later. Call for a no-obligation appointment today at **281.422.3611**.

Reasons For an Earlier-Than-Expected Retirement



49% of retirees leave the workforce earlier than planned



61% To cope with a health problem or disability

To care for a spouse or family member



18% Changes at company, such as downsizing or closure of company

26% able to afford an earlier retirement

19% want to do something else

Source: Employee Benefit Research Institute (EBRI), The 2014 Retirement Confidence Survey as reported in Issue Brief, March 2014, ebri.org.

IRAS GET NEW RULE:

ONE ROLLOVER PER YEAR

Beginning this year, a new rule applies to individual retirement account (IRA) rollovers because of a U.S. Tax Court ruling in 2014. Now, you may make only one rollover from one IRA to another IRA in any 12-month period, regardless of how many IRAs you have. In the past, you could roll over any number of different IRAs once during a 12-month period and avoid taxes or penalties as long as you rolled the balances over into a new IRA within 60 days.

The new rule does not affect trustee-to-trustee transfers. It's important to note that you can transfer any number of IRAs you own through other financial institutions directly to an IRA at Community Resource Credit Union without taxes or penalties.

The new rule applies only when you take a distribution (e.g., a check is made out to you) and then roll the funds into a different IRA within 60 days.

The IRS created a transition period to help taxpayers adjust to the new rule. A distribution from an IRA received during 2014 and properly rolled over to another IRA will have no impact on any distributions and rollovers during 2015 involving any other IRAs owned by the same individual. IRA owners have a fresh start in 2015 when applying the one-per-year rollover limit to multiple IRAs.

The rule also does not restrict conversion of traditional IRAs to Roth IRAs.

READY TO SIMPLIFY?

Consider consolidating multiple IRAs into one IRA through trustee-to-trustee transfer. With just one IRA, you'll enjoy easier recordkeeping that can make managing your retirement savings simpler. Talk to a CFS® Financial Advisor at Community Resource Credit Union today. Call **281.422.3611**.

Sources:
IRS, IR-2014-107, Nov. 10, 2014
<http://www.irs.gov/uac/Newsroom/IRS-Clarifies-Application-of-One-Per-Year-Limit-on-IRA-Rollovers-Allows-Owners-of-Multiple-IRAs-a-Fresh-Start-in-2015>
<http://www.irs.gov/Retirement-Plans/IRA-One-Rollover-Per-Year-Rule>



PO Box 3181
 Baytown, TX 77522

281.422.3611
crcu.org

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HOUSTON — A NATIONAL LEADER IN EXPORTS

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There should be no surprise about the top exports for Texas — petroleum and coal products are Texas’ leading exports with a value of \$59.10 million per year. Chemicals and computer and electronic products are nearly tied for second place at \$46 million each per year.

EXPORT DEMAND CREATES JOBS

As exports increase, employment demand increases as well. More than 41,500 companies exported from Texas locations in 2013 and of those, 93 percent were small- and medium-sized companies. The number of jobs supported in the U.S. by exports was an estimated 11.7 million in 2014, up 1.8 million since 2009.**

IMPROVING YOUR LOCAL BUSINESS

As 2015 progresses, Houston may continue to lead the charge on national exports. Hopefully you are seeing a positive engagement on your business goals. Contact CFS^ Financial Advisor Robert Head for an appointment at **281.422.3611, ext. 1135**, or select “Investments” at **crcu.org**.

TEXAS’ TOP 5 EXPORT INDUSTRIES**		
(VALUE IN MILLIONS OF U.S. DOLLARS)		
1	Petroleum and coal products	\$59.09
2	Computer & electronic products	\$46.61
3	Chemicals	\$46.11
4	Machinery	\$29.86
5	Transportation equipment	\$23.25

* Source: Greater Houston Partnership, April 2015.

** Source: Office of Trade and Economic Analysis, International Trade Administration, U.S. Department of Commerce, April 2015, www.trade.gov/mas/tan.

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