



# NCUSIF Share Insurance

## How Your Funds Are Federally Insured

### What is the NCUA?

The National Credit Union Administration (NCUA) is a US federal government agency that supervises federal credit unions.

Besides overseeing the operations of federal credit unions, the NCUA manages the National Credit Union Share Insurance Fund (NCUSIF). The NCUSIF is backed by the full faith and credit of the United States government. With this insurance fund, the NCUSIF insures the funds within accounts of millions of members who belong to federally chartered credit unions, such as UNFCU.

### Why is this type of insurance so important?

Share insurance protects credit union members against loss of funds within their accounts. If anything should happen to a federally insured credit union, the NCUSIF would reimburse each member of that credit union for their funds insured to \$250,000 per member.

### What basic coverage is provided by the NCUSIF?

The NCUSIF provides members of federally insured credit unions with \$250,000 in coverage for their single ownership accounts.

These accounts include:

- Savings
- High-Yield Savings
- Checking
- Share Certificates

### Which member assets are NOT covered by NCUSIF share insurance?

Member assets not directly covered include:

- Mutual funds
- Stocks
- Bonds
- Life insurance policies
- Annuities

## How much of my account balance is insured?

Each member is insured up to \$250,000 of their total funds in individual accounts within a credit union – whether the total is across multiple accounts or within a single account.

### Example:

John and Sarah Smith are husband and wife who both belong to the same federally insured credit union.

Taking a look at John's accounts below, the balance across all of his individual accounts at the credit union adds up \$250,000. This means that the full balance of \$ 250,000 in his individual accounts is insured.

| John Smith              |                   |
|-------------------------|-------------------|
| Savings                 | \$100,000         |
| High-Yield Savings      | \$100,000         |
| Checking                | \$25,000          |
| Share Certificate       | \$ 25,000         |
| <b>Total</b>            | <b>\$ 250,000</b> |
| <b>Amount Insured</b>   | <b>\$ 250,000</b> |
| <b>Amount Uninsured</b> | <b>\$0.00</b>     |

However, unlike her husband, Sarah Smith has more than \$250,000 in her individual accounts with the credit union. This means that there is \$50,000 of uninsured funds within these accounts.

| Sarah Smith             |                  |
|-------------------------|------------------|
| Savings                 | \$100,000        |
| High-Yield Savings      | \$100,000        |
| Checking                | \$50,000         |
| Share Certificate       | \$50,000         |
| <b>Total</b>            | <b>\$300,000</b> |
| <b>Amount Insured</b>   | <b>\$250,000</b> |
| <b>Amount Uninsured</b> | <b>\$50,000</b>  |

## What if I have more than \$250,000 in funds at my credit union?

If you are like Sarah Smith and have more than \$250,000 at any single federally insured credit union, several options are available for additional NCUSIF coverage. The NCUSIF provides coverage options that are separate from and in addition to the coverage available for individual accounts listed in the section above.

These options include:

### A. Joint Accounts

Joint accounts are accounts that are owned by two or more individuals who have equal rights to withdraw funds from the account. For joint accounts, NCUSIF covers \$250,000 for each account holder. For example, a two-person joint account is covered up to \$500,000 by the NCUSIF. This coverage is separate from and in addition to each member's individual accounts.

#### Example:

When we include the funds that John has in his joint account with Sarah, he has access to \$750,000 of insured funds at his credit union.

| John Smith                       |                  |
|----------------------------------|------------------|
| Savings                          | \$100,000        |
| High-Yield Savings               | \$100,000        |
| Checking                         | \$25,000         |
| Share Certificate                | \$25,000         |
| Joint Savings Account with Sarah | \$500,000        |
| <b>Total</b>                     | <b>\$750,000</b> |
| <b>Amount Insured</b>            | <b>\$750,000</b> |
| <b>Amount Uninsured</b>          | <b>\$0.00</b>    |

Because Sarah is one of the account holders, she also has access to the \$500,000 that is insured within the Joint Savings Account. However, since her individual accounts are still over the \$250,000 maximum total aggregate, she still has some funds that are not covered by the NCUSIF.

| Sarah Smith                     |                  |
|---------------------------------|------------------|
| Savings                         | \$100,000        |
| High-Yield Savings              | \$100,000        |
| Checking                        | \$50,000         |
| Share Certificate               | \$50,000         |
| Joint Savings Account with John | \$500,000        |
| <b>Total</b>                    | <b>\$800,000</b> |
| <b>Amount Insured</b>           | <b>\$750,000</b> |
| <b>Amount Uninsured</b>         | <b>\$50,000</b>  |

### B. Retirement Accounts

Members with an IRA\* (Individual Retirement Account) at a federally insured credit union have additional coverage on their funds. Retirement account protection is considered separate from the insurance coverage from

other funds deposited into accounts within the credit union. For example, the NCUSIF insures Traditional IRA and Roth IRA accounts at an aggregate of \$250,000 in addition to the aggregate of the member's individual and joint accounts.

**Example:**

Let's take another look at John's accounts. We know that he has \$250,000 in his aggregated individual accounts and another \$500,000 in his joint account, making those accounts fully covered by NCUSIF share insurance. If we add in John's traditional IRA and Roth IRA accounts that he has at the same credit union, which are also insured at an aggregate of \$250,000, will he be covered for all of his deposited funds?

In the table below, you can see that in addition to the aggregate of his individual accounts and his joint account with Sarah, John has an additional amount of \$250,000 of insured funds from the aggregated total of his traditional IRA and Roth IRA. When added together, all of these accounts give John an insured total of \$1,000,000, making all of his money within the credit union federally insured.

| <b>John Smith</b>        |                    |
|--------------------------|--------------------|
| Savings                  | \$100,000          |
| High-Yield Savings       | \$100,000          |
| Checking                 | \$25,000           |
| Share Certificate        | \$25,000           |
| Joint Account with Sarah | \$500,000          |
| Traditional IRA          | \$150,000          |
| Roth IRA                 | \$100,000          |
| <b>Total</b>             | <b>\$1,000,000</b> |
| <b>Amount Insured</b>    | <b>\$1,000,000</b> |
| <b>Amount Uninsured</b>  | <b>\$ 0.00</b>     |

John's wife also has a traditional IRA and Roth IRA at the same credit union where she keeps her funds. In her case, the aggregate of these IRAs equals \$300,000, leaving \$50,000 of her Individual Retirement Accounts uninsured. Since Sarah already has \$50,000 of uninsured money from the aggregate of her individual accounts, she now has a total of \$100,000 within the credit union that is uninsured, inclusive of her IRAs.

| <b>Sarah Smith</b>      |           |
|-------------------------|-----------|
| Savings                 | \$100,000 |
| High-Yield Savings      | \$100,000 |
| Checking                | \$50,000  |
| Share Certificate       | \$50,000  |
| Joint Account with John | \$500,000 |
| Traditional IRA         | \$150,000 |
| Roth IRA                | \$150,000 |

|                         |                    |
|-------------------------|--------------------|
| <b>Total</b>            | <b>\$1,100,000</b> |
| <b>Amount Insured</b>   | <b>\$1,000,000</b> |
| <b>Amount Uninsured</b> | <b>\$100,000</b>   |

By properly using the account types as explained within this document, you can benefit from share insurance for any of your eligible funds at a federally chartered credit union such as UNFCU.

\*Only US citizens and permanent residents (green card holders) are able to open Investment Retirement Accounts which can offer US tax benefits. Please consult a tax advisor for more information.

## Contact Us

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