

50^{plus} CLUB NEWS

RiverWood Bank

IN THIS ISSUE: Cracking the Nest Egg with an Early 401(k) Withdrawal / 50 Plus Club Events / Protect Yourself from Check Fraud / Spring Crossword / Breaking Down the Parts of Medicare



Cracking the Nest Egg

with an Early 401(k) Withdrawal

Imagine yourself coasting towards retirement, making regular contributions to your 401(k), and resting secure in the knowledge that your savings is on track. Then BOOM—an unexpected medical bill, a car breakdown, or a once-in-a-lifetime opportunity comes along. Suddenly you wonder, “Can I tap into my 401(k)?”

Your 401(k) is your nest egg, built slowly over the years through regular funding and accumulation of interest. It’s designed to carry you through your retirement years as a supplement to any other Social Security or income you might receive.

While accessing your retirement savings might seem like a quick fix to your money problem, it’s crucial to understand the potential consequences before taking the plunge. Before you crack open your nest egg, however, consider the potential consequences of an early 401(k) withdrawal.

The Appeal of Early Access

Dipping into your long-term savings can be tempting. Consider some of the following scenarios:

- Unexpected job loss happens, and you’re struggling to make ends meet.
- You or a loved one experiences a medical emergency, and the hospital bills are piling up.
- Your dream home is on the market, but you don’t have enough for a down payment.

While these scenarios can make you feel a financial pinch, it’s important to remember that your 401(k) is your future paycheck, and early withdrawals can have significant drawbacks. Using your 401(k) funds might seem like a quick fix, but it’s crucial to understand the consequences:

Uncle Sam Takes a Bite

Normal withdrawals can be made penalty-free after the golden age of 59 ½. Early withdrawals made before then are subject to a 10% penalty from the IRS. Think of it as a hefty fee for breaking the piggy bank early. Imagine withdrawing \$10,000 for an emergency – the penalty alone would cost you \$1,000.

Continued on next page >

The Tax Man Cometh

Typically, your 401(k) contributions are made with pre-tax dollars, which means you haven't paid income tax on that money yet. Any amount you withdraw will be taxed as ordinary income, potentially pushing you into a higher tax bracket and further reducing your take-home amount.

The Cost of Lost Growth

Early withdrawals essentially rob your future self of crucial compound interest. Imagine your 401(k) as a snowball rolling down a snowy hill. The longer it rolls, the bigger and faster it grows. Early withdrawal acts like an obstacle on the hill, slowing down the snowball's growth and potentially shrinking its size significantly.

Explore Alternatives to Keep Your Nest Egg Intact

Before cracking open your nest egg, consider exploring alternative solutions. There are a number of options that can decrease or even eliminate the penalties on early withdrawals.

Depending on your overall financial situation, a personal loan could be preferable to borrowing against your 401(k). If you own a home, a home equity loan or line of credit could also be a viable alternative, just remember that you're putting up your house as collateral, so be sure you can afford the loan payments. For both options, you'll want to compare interest rates

and repayment terms to make sure you're making the best decision possible.

Many credit cards offer low or no interest for the first 12 months. If paying off your debt within the low or no-interest period is a possibility, it could be a good alternative to borrowing against your retirement. Just be sure you're able to pay off that card by the end of the year, or you can find yourself in deeper financial trouble.

Consider cost-saving measures like debt consolidation, negotiating lower bills, or temporarily downsizing your lifestyle to weather the financial storm. If it's possible to avoid borrowing against your 401(k), every dollar you save is a dollar that stays invested and grows in your retirement plan.

The Bottom Line

Early 401(k) withdrawal is a complex decision with lasting consequences. Don't let desperation cloud your judgment. Instead, consider your alternatives carefully to make the best choice for your financial situation.

It's always a great idea to seek professional financial advice before making any major money moves. A qualified advisor can help you explore all your options, assess your specific situation, and guide you towards the best course of action for your long-term financial well-being. Protecting your future self is an investment worth making.

Member FDIC

IT'S A
SWEET
Summer
TO WIN!

YOU COULD WIN \$500!

The more you use your card,
the better your chance to WIN!

Use your RWB Debit Card in June and be entered to win!

*Restrictions apply.
See a RiverWood Banker.



Events!



—EXCLUSIVE EVENTS FOR 50 PLUS CLUB MEMBERS—



MORRIS SUMMER PICNIC JUNE 5, 1-3PM

Eastside Park Shelter, Morris

Lynnae L.G. Lina will speak on Estate Planning and Probate

Main dish and refreshments will be provided. Please bring a dish to share!

RSVP by Wednesday, May 31:

Sue Sax 320-208-6140

Sue.Sax@riverwoodbank.com



BEMIDJI BRAT SALE FUNDRAISER JUNE 27, 11AM-2PM

5th St & Minnesota Ave. or
1260 Paul Bunyan Dr NW

\$10 suggested donation for brat, chips, dessert and beverage. Sit down, take-out or drive-thru.

100% of proceeds benefit
United Way of Bemidji Area!



BAXTER/CROSSLAKE GULL LAKE LUNCH CRUISE AUGUST 9, 12-2PM

Cragun's Resort, Brainerd

Two-hour boat excursion on Gull Lake that includes lunch, bottomless coffee, music and beautiful sights! Choose to enjoy air-conditioned comfort or take in the views from the deck! For purchase at two bars will be soda, domestic/premium beer, signature cocktails and wine.

Cost: \$50 for 50 Plus Club Members

Meet: 11:30AM
Cragun's Resort
Brainerd, MN 56401

RSVP: By July 31, 2024

Baxter: Naomi Jacobson
(218) 316-7187
Naomi.Jacobson@RiverWoodBank.com

Crosslake: Jeanne Stangel
(218) 692-3787
Jeanne.Stangel@RiverWoodBank.com

Protect Yourself From CHECK FRAUD

Do you send paper checks through the mail? Do you know how to protect yourself against check fraud?

When you put a paper check in your mailbox or drop it in a postal dropbox, it's very easy for thieves to steal your check. They use chemicals to remove the ink, then change the payee name and amount to whatever they want.

Sometimes they take it a step further and sell your information online.

So how can you protect yourself?

Whenever possible, use online payment services instead of mailing paper checks. Online payments are simple and secure and eliminate the risk of your check being stolen from a mailbox.

If online payments aren't an option, there are some steps you can take to protect your paper check.

First, write your check with a black gel pen. Black ink is more difficult to remove than blue, and the gel ink soaks into the fibers of your check, making it much more difficult to bleach away.

When you mail your check, put it in your mailbox right before your mail carrier arrives. If you mail it from a blue post office box, drop it off right before collection, so it doesn't sit in the box for long periods of time. Better yet, take it directly to the post office and give it to an employee.

Finally, keep track of the checks you've written, and check your online banking or monthly statements to watch for when they clear. Make sure the amount matches what you originally wrote, and if your account offers check images, check to see that the payee hasn't been changed.

If you see a problem, contact us immediately, so we can help get it resolved.



Your home ownership journey **STARTS HERE!**

- Get prequalified
- View loan progress
- Securely upload documents
- Message your Lender
- Calculate refinancing
- Calculate loan payments
- Apply for a loan from anywhere!

Download our mobile
RiverWood Mortgage App!





- 1** Refer a friend at ReferRiverWoodBank.com
- 2** Your friend opens a RiverWood Bank checking account.
- 3** You receive a gift!

ReferRiverWoodBank.com

For every referral you make that results in a new account, you can earn one of these great gifts:



\$10 Amazon Gift Card

OR



Select from current in-branch options!

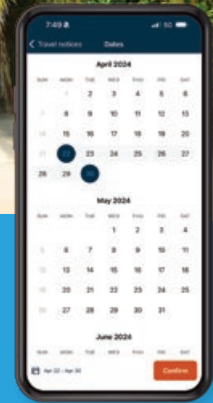
TRAVEL

WITH NO WORRIES

(Except sunscreen!)

Setup travel notices in our app and online! Leave worries behind.

- Uninterrupted use of cards while traveling domestically or internationally
- Easily share trip details in advance to prevent frozen cards
- Add more accuracy and ease stress
- Set your notices in minutes through the mobile app or online
- Select more than one card to ensure all cards are covered



However you want to connect, we're here for you!



Instagram



Facebook



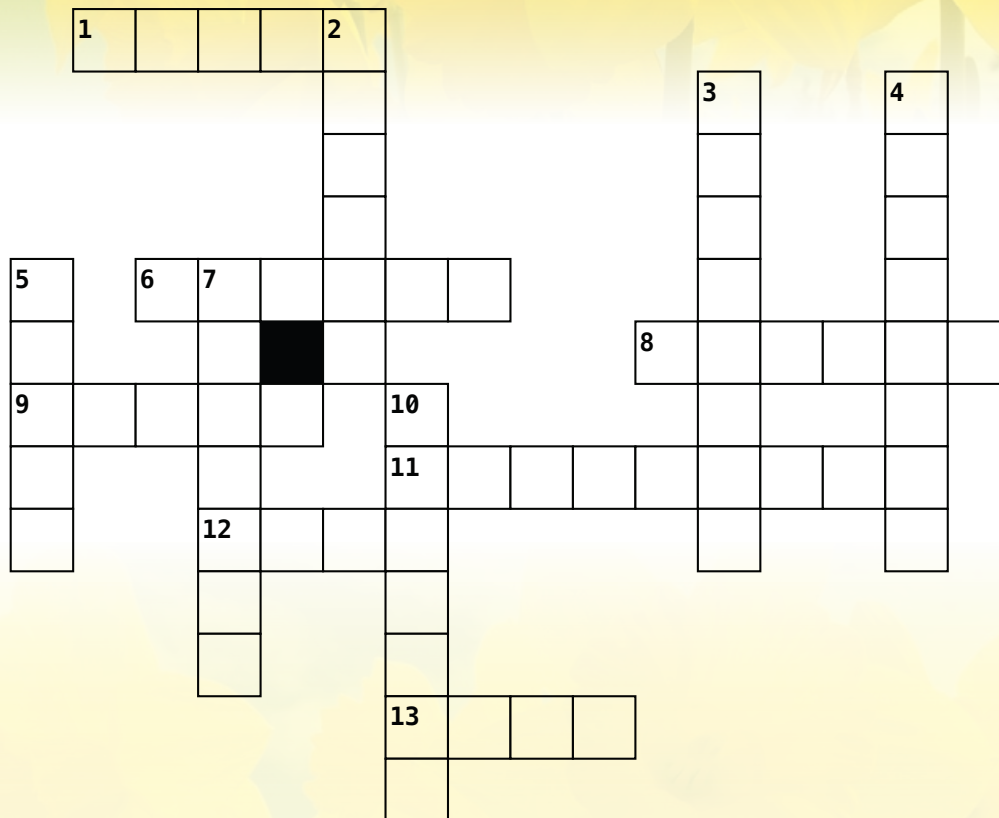
YouTube



LinkedIn



Spring CROSSWORD



ACROSS

1. Sound made by birds in spring.
6. A gentle wind.
8. A small pool of water on the ground.
9. A very popular flower in Holland.
11. Movement of birds returning in the spring.
12. The color of a robin's eggs.
13. A baby sheep is called this.

DOWN

2. Powdery substance from plants that can cause allergies.
3. Flying, biting insect common in Minnesota.
4. Young waterfowl hatched in the spring.
5. Emerging from an egg.
7. An arch of many colors seen in the sky.
10. The birthstone of May.

WINNERS OF THE e-statements \$100 Drawing!



Jolene Erickson
BEMIDJI - PAUL BUNYAN DRIVE



Rochelle Peterson
BENSON



Tracy & Sharon Johnson
BIG LAKE



Andrue Greene
BEMIDJI - DOWNTOWN



Ashley Sanford
MONTICELLO

Fast. Convenient. Safe.
Green. Free. Easy.
IT PAYS TO ENROLL!





Breaking Down the Parts of **MEDICARE**

Generally, the different parts of Medicare help cover specific services. Most beneficiaries choose to receive their Parts A and B benefits through Original Medicare, the traditional fee-for-service program offered directly through the federal government. It is sometimes called Traditional Medicare or Fee-for-Service (FFS) Medicare. Under Original Medicare, the government pays directly for the health care services you receive. You can see any doctor and hospital that takes Medicare (and most do) anywhere in the country.

In Original Medicare:

- You go directly to the doctor or hospital when you need care. You do not need to get prior permission/authorization from Medicare or your primary care doctor.
- You are responsible for a monthly premium for Part B. Some also pay a premium for Part A.
- You typically pay a coinsurance for each service you receive.
- There are limits on the amounts that doctors and hospitals can charge for your care.

- If you want prescription drug coverage with Original Medicare, in most cases you will need to actively choose and join a stand-alone Medicare private drug plan (PDP).

NOTE: There are a number of government programs that may help reduce your health care and prescription drug costs if you meet the eligibility requirements.

Unless you choose otherwise, you will have Original Medicare. Instead of Original Medicare, you can decide to get your Medicare benefits from a Medicare Advantage Plan, also called Part C or Medicare private health plan. Remember, you still have Medicare if you enroll in a Medicare Advantage Plan. This means that you must still pay your monthly Part B premium (and your Part A premium, if you have one). Each Medicare Advantage Plan must provide all Part A and Part B services covered by Original Medicare, but they can do so with different rules, costs, and restrictions that can affect how and when you receive care.

It is important to understand your Medicare coverage choices and to pick your coverage carefully. How you choose to get your benefits

Continued on next page >

and who you get them from can affect your out-of-pocket costs and where you can get your care. For instance, in Original Medicare, you are covered to go to nearly all doctors and hospitals in the country. On the other hand, Medicare Advantage Plans typically have network restrictions, meaning that you will likely be more limited in your choice of doctors

and hospitals. However, Medicare Advantage Plans can also provide additional benefits that Original Medicare does not cover, such as routine vision or dental care.

© Medicare Rights Center.
Used with permission.

The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG, LLC, is not affiliated with the named broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and should not be considered a solicitation for the purchase or sale of any security. Copyright FMG Suite.



Terry Gries, CRPC®
LPL Financial Advisor
(763) 271-1452
Terry.Gries@RiverWoodFinancial.com



Steve Berry
LPL Financial Advisor
(218) 308-2223
Steve.Berry@RiverWoodFinancial.com

RiverWood Bank provides referrals to financial professionals of LPL Financial LLC ("LPL") pursuant to an agreement that allows LPL to pay the Financial Institution for these referrals. This creates an incentive for the Financial Institution to make these referrals, resulting in a conflict of interest. The Financial Institution is not a current client of LPL for advisory services. Please visit <https://www.lpl.com/disclosures/is-lpl-relationship-disclosure.html>.

Securities and advisory services are offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC). Insurance products are offered through LPL or its licensed affiliates. RiverWood Bank and RiverWood Financial **are not** registered as a broker-dealer or investment advisor. Registered representatives of LPL offer products and services using RiverWood Financial, and may also be employees of RiverWood Bank. These products and services are being offered through LPL or its affiliates, which are separate entities from, and not affiliates of, RiverWood Bank or RiverWood Financial. Securities and insurance offered through LPL or its affiliates are:

Not Insured by FDIC or Any Other Government Agency	Not Bank Guaranteed	Not Bank Deposits or Obligations	May Lose Value
--	---------------------	----------------------------------	----------------



SAVINGS

for the life you want!



Our CDs offer an alternative way to grow your savings. Talk with a banker today!





ENTER OUR *Spring* Coloring Contest!

Winners of each age group will receive

\$50

AGE GROUPS:

2-4 years • 5-8 years • 9-12 years

Entries must be received by May 31!

*Contest rules apply.
Ask a banker for details!*



MEMBER FDIC RiverWood.BANK 



50 Plus Club Coordinators



BAGLEY & BEMIDJI
Lori Fillipi
(218) 308-2207



BAUDETTE
Cindy Youso
(218) 634-1210



BAXTER
Naomi Jacobson
(218) 316-7187



BENSON
Sheryl Madden
(320) 314-6504



BIG LAKE
Stacy Hemauer
(763) 262-4073



CROSSLAKE
Jeanne Stangel
(218) 692-3787



MONTICELLO
Sandy Hennessey
(763) 271-1454



MORRIS
Sue Sax
(320) 208-6140

50^{plus} CLUB JOIN US! RiverWood Bank

In addition to exceptional bank benefits, you get to enjoy a full calendar of events, including special trips, activities, luncheons, educational seminars and good fellowship.

TO QUALIFY:

You or anyone 50 years or over signing on the account, and maintain ANY RiverWood checking account.

BENEFITS INCLUDE:

- No monthly minimum balance or maintenance fees with Elite 50 Checking
- Free RiverWood checks or discount on other designs, limitations may apply
- Free cashier's checks
- Free notary, fax, signature guarantee and photocopying services.



RiverWood.BANK

