

# the Contact

APRIL 2004



A Publication for Members of Northrop Grumman Federal Credit Union

## Higher Rates for IRAs

Save for a carefree retirement now. Contribute to a Traditional or Roth IRA before April 15 to take advantage of the 2003 tax year contribution limits. You may be eligible for the maximum catch-up contribution of \$3,000 (\$3,500 if you're over 50 years old) for 2003. But you must act by April 15 or this opportunity will be lost for the 2003 tax year.

A Traditional IRA may offer immediate tax advantages. For deferred tax benefits, open a Roth IRA. Then you'll enjoy tax-free qualified withdrawals in retirement. Check with your tax consultant to determine the maximum amount you may contribute for 2003.

To make your retirement investment even more attractive, through April 15, 2004, a bonus of 1/2% has been added to our regular term account rate for 2-year IRA term accounts and a 1% bonus added for 3, 4, and 5 year terms.

The yields on the IRA Term Accounts through 3/15/2004 are:

Term	Annual Percentage Yield
1-year	1.23 APY*
2-year	2.21 APY*
3-year	3.20 APY*
4-year	3.62 APY*
5-year	4.05 APY*

\*Annual Percentage Yield. Rates shown are valid through 3/15/2004 and are subject to change. For current rates call 800-633-2848. Be sure to speak with a qualified tax advisor to maximize the tax advantages of your IRA contributions.

**Don't delay. Complete the IRA Contribution form on the back of this newsletter and return it with a check.**

Send it to: Northrop Grumman Federal Credit Union  
Box 47009  
Gardena, CA 90247-6809

Or fax: 310-808-9697 with transfer information

## Mortgage Online

### The Easy Way to a Home Loan

Whatever stage you're at with buying a home – wishful thinking, researching, looking for the best rates, calculating what you can afford – you can find the information you need on the Northrop Grumman Federal Credit Union web site. Simply log onto [www.norgrumfcu.org](http://www.norgrumfcu.org) and click on the link to Mortgage Online. All the information you need is at your fingertips.

Get the answers to the most frequently asked questions, use the convenient and easy-to-use calculators and, finally, get the home and the home loan you need.

Low interest rates, low closing costs, great service.

## Tax Refund?

### Use Your Money Master Line of Credit

Open a Money Master Line of Credit to get a quick jump on your tax refund. You can have the funds in your hands long before they arrive in the mail and at a very competitive interest rate. Then when you get your refund, simply apply the funds to your outstanding balance.

Call 800-633-2848 to get all the details about how you can get started.

# Rebate or Low Rate

## on your new vehicle

Rebate or 0% financing? Car buyers often face this dilemma, and the right decision isn't always obvious.

You can use a factory rebate as part of your down payment toward your purchase, thus lowering the amount financed. Accepting low dealer financing and sacrificing the rebate offered on some models sounds great until you crunch the numbers.

For example, take an offer for 0% financing for 60 months or a \$3,000 factory rebate on a \$20,000 purchase. If you take the Credit Union's rate of 4.9% APR\* and the rebate (thus financing only \$17,000), you actually would save about \$800 over the life of the loan. Look at the chart for a comparison when the term is reduced to 48 months with a Credit Union promotional rate of 3.9% APR\*.

Another reason to choose the rebate and financing from Northrop Grumman Federal Credit Union is the fact that most people don't qualify for 0% financing offered by dealers, but everyone qualifies for the rebate.

Don't go shopping for a new or used vehicle without a Northrop Grumman Federal Credit Union auto loan pre-approval. Call 800-633-2848 today to make sure you're prepared to get the best deal on any car you want to buy.



48-MONTH TERM	DEALER	Northrop Grumman FCU
Special Interest Rate	0% APR*	3.9% APR*
Factory Rebate	\$0 WITH PROMO RATE	\$3,000 APPLIED TO LOAN
Loan Amount	\$20,000	\$17,000
Monthly Payment	\$417	\$383 <b>SAVE \$34 EACH MONTH</b>
Total Cost of the Auto	\$20,000	\$18,390 <b>SAVE \$1,610</b>

\*Annual Percentage Rate. Numbers are for comparison only. Payments and pay off may vary slightly depending on the date the loan is finalized and the length of time before the first payment. Some rebates may differ on select models. Higher rebates, when applied to the Credit Union loan, reduce the monthly payment and the total cost of the vehicle even more. These rates may not be used to refinance a current NGFCU auto loan. Rates are subject to change without notice.

# Email Fraud

## Beware The Wolf In Sheep's Clothing

While the Internet has rapidly become the universal tool for communication, information, and just having fun, it is also the stomping ground for hackers, vandals and con artists. The goal of making the myriad virtues of the Internet accessible to every man, woman and child is almost a reality everywhere in the world - but not without threats to our peace of mind.

Clearly the words "worm" and "virus" have sinister meanings to Internet users. As dial-up gives way to other faster and more readily accessible connections like DSL, cable and satellite, firewall and virus protection software is a must-have on every personal computer. The names McAfee and Norton are now as recognizable as Windows to cautious Internet users. This software strives to be the armor and last stand against those who would cloak and dagger their way into our systems, our lives and our peace of mind.

The days of hackers sneaking up unobtrusively with viruses and worms are not over, but the bad guys are becoming more imaginative and theatrical.



Now they are sending emails that look just like they are from some familiar service, like eBay or a credit card provider. The email states your account will be terminated if you don't update your information by clicking on a link

provided in the email. The provided web address in the link looks remarkably familiar and, if you are naïve enough to click on it, a web site appears that looks very much like the real web site of the company they profess to be. They are "phishing" and guess what they have in mind for the catch of the day. Your identity!

They hope you will give them all the requested information, including name, address, social security number, account numbers, and other identifiers. They want all of your secret information.

### Don't fall prey

Never follow a link from an email and then provide personal information on a linked web page no matter how familiar it looks. Delete the unsettling email.

## Important Telephone Numbers

Credit Union ..... 310.808.4000  
 Outside 213 or 310 ..... 800.633.2848

Call 24 ..... 310.327.0682  
 Outside 213 or 310 ..... 800.676.3328

Report a lost or stolen:  
 MasterCard ..... 800.453.4270  
 Visa ATM/Check Card 800.554.8969

Find a:  
 COOP ATM ..... 888.SITE.COOP  
 CU Service Center .. 888.CU.SWIRL

## Problems? Inquiries?

The Supervisory Committee has the responsibility to continually review the functions of the Credit Union to ensure that it is operating in the best interest of its members. Any questions, suggestions or inquiries should be directed to:

Chairman, Supervisory Committee  
 Northrop Grumman  
 Federal Credit Union  
 Box Number 3382  
 Gardena, CA 90247-7082

Visit us on the Internet  
 at: [www.norgrumfcu.org](http://www.norgrumfcu.org)



# Attention Northrop Grumman Retirees

Gerry Mathiason, president of the Northrop Grumman Retirement Club, has asked the Credit Union to pass on information about networking opportunities for retirees. Retiree chapters meet regularly to share their memories and to keep abreast of current events related to the Corporation, socializing, and quality of life issues.

In addition to the main club in Hawthorne, California, there are 8 other retiree chapters throughout California, one in the Chicago area, and one in New England. Northrop Grumman retirees are encouraged to contact the president of the nearest group for meeting dates, times and locations.



Hawthorne	Gerry Mathiason	310-542-8153
Anaheim	Maury Thews	714-828-0258
Antelope Valley	Chet Piolatto	661-285-8235
Central Coast	Ed Bonge	805-937-4843
Conejo Valley	Mike Novak	805-484-3442
Hemet	Rosalie Moyer	909-925-1214
San Diego	Elaine Eldridge	760-761-0424
South Orange County	Scotty Smith	949-496-8267
Temecula	Neal McKenzie	909-676-7520
Midwest (Chicago)	Barbara Bennett	847-259-9064
New England	Jim Hindman	508-339-4214

## To: Northrop Grumman Federal Credit Union attn: Call Center

YES, I want to know more about these products/services:

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Share Draft (checking) | <input type="checkbox"/> Touchtone Phone Acct Mgmt  | <input type="checkbox"/> Home Equity Line of Credit        |
| <input type="checkbox"/> Term Savings Account   | <input type="checkbox"/> Visa ATM/Check Card        | <input type="checkbox"/> Auto Locating Services            |
| <input type="checkbox"/> Holiday Club Account   | <input type="checkbox"/> MoneyMaster Line of Credit | <input type="checkbox"/> Direct Deposit of Social Security |
| <input type="checkbox"/> IRA Accounts           | <input type="checkbox"/> Auto Loan Pre-Approval     | <input type="checkbox"/> Direct Deposit of Retirement      |
| <input type="checkbox"/> Internet Acct Mgmt     | <input type="checkbox"/> First Mortgage Loan        | <input type="checkbox"/> Membership                        |

## To: Flight Plan Financial Services, Inc. a wholly-owned subsidiary of Northrop Grumman Federal Credit Union

YES, I am interested in learning more about securing my own financial future. Please send me information on the following:

- |   |   |
|---|---|
| <input type="checkbox"/> Retirement Planning* | <input type="checkbox"/> Life Insurance                 |
| <input type="checkbox"/> 401(k) Plan*         | <input type="checkbox"/> Property/Auto Insurance        |
| <input type="checkbox"/> Mutual Funds*        | <input type="checkbox"/> Long Term Care Insurance       |
| <input type="checkbox"/> IRA Rollovers*       | <input type="checkbox"/> Medicare Supplement            |
| <input type="checkbox"/> Reducing Taxes*      | <input type="checkbox"/> Retiree Dental/Vision Coverage |
| <input type="checkbox"/> College Funding*     |   |

Send this section to:

**Northrop Grumman FCU  
 Box Number 47009  
 Gardena, CA 90247-6809**

My Account Number is \_\_\_\_\_

\*Securities offered through Linsco/Private Ledger Member NASD/SIPC - Stocks, bonds, mutual funds, annuities and other investments available through Linsco/Private Ledger are not deposits in Northrop Grumman FCU, are not insured by the NCUSIF, nor are they obligations of, or guaranteed by Northrop Grumman FCU. Such investments may fluctuate in value and are subject to investment risks, including loss of some or all of the principal.

# IRA CONTRIBUTION

The term IRA will be used below to mean Traditional IRA or Roth IRA, unless otherwise specified.

IRA HOLDER'S NAME AND ADDRESS	IRA TRUSTEE'S OR CUSTODIAN'S NAME AND ADDRESS
	NORTHROP GRUMMAN FEDERAL CREDIT UNION BOX 47009 GARDENA, CALIFORNIA 90247-6809

Social Security Number	Date of Birth	Home Phone	Account Number

## CONTRIBUTION INFORMATION

Select One:  Traditional IRA  Roth IRA

Term:  1-Year  
 2-Year  
 3-Year  
 4-Year  
 5-Year

A minimum deposit of \$2,000 is required to open an IRA Term Account.

Contribution Date	Contribution Amount	Contribution For Tax Year

I have enclosed a check payable to NGFCU for the Contribution Amount.

Mail this form and your check to: Northrop Grumman Federal Credit Union  
Box 47009  
Gardena, CA 90247-6809

Transfer the Contribution Amount from my:

- Regular Share Account
- Share Draft (Checking) Account
- Money Market

## SIGNATURE

I authorize the deposit of the IRA assets in the manner described above and certify that all of the information provided by me is correct and may be relied upon by the Trustee or Custodian.

\_\_\_\_\_  
(IRA Holder)

\_\_\_\_\_  
(Date)

If Northrop Grumman Federal Credit Union is not currently the custodian for an IRA account in your name, you may be required to submit a completed and signed IRA Simplification form to complete this transaction. For additional information, call 800-633-2848.

## Rules And Conditions Applicable To Contributions

You and/or your employer are permitted to make various types of contributions to your Individual Retirement Accounts (IRAs). Federal law limits the amount which may be contributed and the date by which such contributions may be made. By properly completing this form you are authorizing the Trustee or Custodian to accept the IRA contribution described on this form and you are certifying that you are eligible to make such contribution. IRA contribution rules are often complex. If you have any questions regarding a contribution, please seek a competent tax advisor.

**TRADITIONAL IRA** A Traditional IRA is an IRA which may receive contributions by you and which may or may not be tax deductible. You may receive a 100 percent income tax deduction for contributions if you do not receive benefits under an employer's retirement plan.

### REGULAR OR SPOUSAL

The total amount you may contribute to a Traditional IRA for any taxable year cannot exceed the lesser of the applicable limit or 100 percent of your compensation. If you also maintain a Roth IRA, the maximum contribution to your Traditional IRA is reduced by any contributions you make to your Roth IRA. If you are married, you may be eligible to make payments to an IRA established for the benefit of your spouse. In addition, if you or your spouse are age 50 or older by the end of the taxable year, you are eligible to make additional catch-up contributions to an IRA for that year. Refer to IRS Publication 590, *Individual Retirement Arrangements*, for more information. This publication is available from your local IRS office, on the IRS Internet Website at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

**ROTH IRA** A Roth IRA is an IRA which may receive contributions by you which are not tax deductible. In other words, you must pay income tax on your contributions. In exchange for paying income tax, however, you may receive tax-free distributions from your Roth IRA under certain circumstances.

### REGULAR OR SPOUSAL

The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of the applicable limit or 100 percent of your compensation. Your contribution may be further limited if your income exceeds certain limits. If you also maintain a Traditional IRA, the maximum contribution to your Roth IRA is reduced by any contributions you make to your Traditional IRA. If you are married, you may be eligible to make payments to a Roth IRA established for the benefit of your spouse. In addition, if you or your spouse are age 50 or older by the end of the taxable year, you are eligible to make additional catch-up contributions to an IRA for that year. Refer to IRS Publication 590, *Individual Retirement Arrangements*, for more information. This publication is available from your local IRS office, on the IRS Internet Website at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.