

Financial Readiness from UNFCU perspective – FAQs

Managing your Finances

Please tell us about UN lump sum and IRA. What is the process for IRA?

The financial advisers at UNFCU are happy to work with you on that. Everybody has a different and personal situation. The complementary review is designed to evaluate your situation and determine the best options for you.

IRAs can be set up as shared certificate or savings account. They are offered as a UNFCU savings solution. They are ensured t at least \$350,000. If you have additional questions, please feel free to reach out to us and we can assist you with maximizing your resources.

Please elaborate on Roth IRA and eligibility requirements - such as age of applicant etc.

We would recommend speaking with a financial advisor. Regarding the eligibility, the applicant has to be a US resident or citizen. Please reach out to us to get more insight into certain nuances.

Is the UNFCU team just active in the US? I believe other countries have succession laws that need to be followed rather than a will.

Your international state planning expert understands the regulations of each country, so they can assist you with country-specific questions as well. For example, the US has certain country-specific regulations for which we refer our members to the local tax and estate planning experts while we are always happy to provide additional assistance.

What is the lump sum for current G4 visa holders who joined the organization before and after 1980 regarding taxes?

We will provide information on estate planning and taxation soon. We are planning to organize an event specifically for that purpose as there are indeed many very specific guidelines. We might also organize a session specific to UN Staff currently stationed in the US.

Does one get interest on their savings? If so, what is the rate or percentage?

All the interest rates are specified on at the UNFCU website, but we can assure you that they are as low as they can be. All the information can be found on the top bar of unfcu.org.

Please elaborate on the shares account.

For the shares account, you put in money and then you have to wait until the account matures to take out the money. This might be different in case of an emergency in which case you just need to let UNFCU know.

UNFCU also does have a membership share which is a common practice. However, it is fully refundable when the membership is closed.

If IRA is only for US citizens, what options do G4 holders have when employed or at the time of retirement?

Please reach out to UNFCU for this question. These issues usually depend on the nature of your end goal. The IRAs are for residents. If you are on a G4, we might have other options that might help you.

For those Staff working in countries with banking restrictions (e.g. Lebanon) in which case they are not able to access their funds, can UNFCU assist in retrieving those funds/money?

We have received inquiries on that and have been able to assist while complying with national regulations. However, we would need more information to specifically assist with that.

But yes, we work very closely with regulators to address this issue.

Beneficiaries and Dependents

I filled out UNFCU's beneficiary form. Please explain the process starting from my death until my beneficiaries receive all my financial assets at UNFCU. Also, do my beneficiaries have to inform you about my death?

Typically, UNFCU initiates inquiries about possible cases of death. Anyone can let us know. Sometimes we are informed by existing legal mechanisms available in the US but typically we ask family members to let us know in order to review the beneficiaries' situation and their funds. To make the process as simple as possible, we always suggest including beneficiaries in the account.

UNFCU's beneficiary form has a space to enter my account numbers but it has no space to enter my certificate numbers. Am I correct in my understanding that all my financial assets/savings at UNFCU, no matter the types of account or format of savings, will be distributed among my beneficiaries?

If you open your account for the first time and you are updating the beneficiaries form, it would typically go to the account page again. If you have investment accounts, you have to reach out separately. Sending a form to UNFCU means that this form is applicable to all your UNFCU accounts.

Is it possible to have additional credit cards for my daughters?

If your daughters are primary members at UNFCU, they can apply for a credit card in which case you could be included as a secondary owner of that card. Being a primary member at UNFCU is dependent on the minimum age of 18 which is also the minimum age of obtaining a credit card. If they do have a source of income, they can also apply to become a UNFCU member themselves. If you are the only account owner, you can have a joint credit card with another person but otherwise, you can only have one credit card per account. However, they could indeed use the joint credit card in this case. You can also create a card under your name and have another person being an authorized user. However, they would have no access to maintenance for that card. They would obtain a credit card, but the card would not be under their name. Accordingly, in case they reach out to UNFCU, they will not be provided with any details on the account.

I opened my account more than 8 years ago and have now been moving from one duty station to another. I was married before but divorced now and would like to make changes but cannot remember my previous records. Can UNFUC assist in this process?

In this case, you always have the option to fill out the online beneficiary form in which case we can update your beneficiaries accordingly. We also have specific forms to remove a joint person from the account. As long as we are able to authenticate the identity of the caller, we can assist you with your account.

Is it possible to open accounts for my minor dependents to ease transactions as beneficiaries? If so what documents would be required?

Absolutely. If you have minor dependents, we offer Start Smart accounts. You can open one for them or they can have their own youth account with a debit card and limited access. The access can be transferred over to them once they reach the age of 18. This makes transactions much easier.

If a UNFCU member dies and there is a designation of beneficiary form in place, but a "revocable trust" document is presented with a different name reflected on it, which one would prevail? To whom would the funds be released?

We would need more information for an appropriate response, but one does indeed supersede the other.

How can I update the beneficiaries on my UNFCU account?

The forms are available through digital banking. Please visit 'Account Services' → 'Forms'. Here, you will have access to a whole section of forms that are also available as e-forms. If you haven't signed up for digital banking yet, we would highly recommend you do so. Once you complete the form, we update the information for you.

Is it possible to open a savings account for my dependents' college education at UNFCU?

Yes. Saving accounts for minors or family members can be opened as long as they are immediate family. If you are looking to transfer money or save money for your dependents' college education, this is indeed possible. There are limitations on how much money can be taken out of this account, but it is certainly possible.

Can we open 529 accounts with UNFCU for our dependents' college?

Yes. We cannot go into too much detail without knowing the specific case but one of the things you have to consider is that if you are a US citizen without a G4, then you may want to consult with us as the tax benefits might not be applicable. Please reach out to us.

Contact Focal Points and Information Access

Can you recommend accountants and lawyers in NY who understand the specific situation of UN Staff?

Yes, we can certainly provide you with resources on that. Please reach out to us to obtain respective recommendations.

Can you explain or post a link regarding the possibility of non-US staff retiring in the US? What would be the financial consequences?

The best source for this kind of information is the association of retirees. You can find them at any duty station. There is a lot of information posted on iSeek that is specifically for citizens who are not from the US but retired in the US.

Does unfcu.org have information on eligibility requirements for Roth IRA?

Yes. The requirements are being a US citizen or resident but you can also find the information there.

If I have any further questions after this session, where can I ask?

Please send an email to email@unfcu.com.

Can I contact the UNFCU office in Geneva to discuss all the topics we covered during the training session?

Yes, of course. They have a great and knowledgeable team there.

Life Insurance

Is it possible/legal to have more than one life insurance policy (maybe from two different countries)?

It is possible. Each policy is a legally binding contract on its own, so they do not contradict each other. Usually, people add on more policies during the time of their lives.

If you have the UN pension fund, do you still need life insurance?

The life insurance provided by the pension fund is an excellent option. It provides your family with insurance for lost income, so it is already sufficient to meet the needs of the individual. Even if you already have life insurance, please reach out to UNJSPF to get a better idea of what your options are.

Do you recommend life insurance if you don't have dependents?

We usually recommend obtaining life insurance independently of whether you have dependents or not. Life insurance is more about insurability. It is a good way to ensure that you qualify for certain benefits and insurances. There are many life insurances that are really targeted at your needs rather than the needs of your dependents. For example, you can use the insurance to leverage and financially protect your assets.

I noticed that insurance companies working with UNFCU require a minimum income of \$5000/year. What if the insurance cover is for an unemployed spouse and Staff will pay premiums. Is it possible to take out this life insurance?

Generally speaking, insurance companies in the state don't have a required minimum income of any type so it is very possible for the individual to take out a life insurance policy. What they want to see is the insurable interest. If an unemployed individual is, for example, looking for \$1000000 or more, then they will need to provide appropriate justification for this purpose.

In general, the companies we work with do not require a minimum income but will rather ask for insurable interest.

When one retires, are they still covered under life insurance? If they have been a member and paying for coverage for more than 30 yrs., how much would the coverage be?

UN Life insurance will be covered on Monday. Most term life insurances will not be maintained after the end of retirement.

Retirement and Planning

Do you have any advice on planning for retirement for those of us who are still quite far from it, for example, those of us in our 20s, 30s and 40s?

This is an excellent suggestion for a separate information session, but we can assure you that it is never too early to start retirement planning. Please do always feel welcome to talk to an advisor to help you assist with that.

Other

How can UNFCU help Staff to prepare their Finance Readiness and what advantages does UNFCU offer compared to other finance service providers?

Credit Unions generally have a dedication to providing as much education as possible and UNFCU in particular offers a wealth of information, tools and resources online. For example, we make complementary consultations available. In general, we put our members first, so you will not just be a number. We take pride in really getting to know you to obtain a wholistic view of each situation. Many people stay with us for at least 10 or 20 years.

Furthermore, we have a panel of experts and a great willingness to share information. UNFCU membership is offered to our community world-wide. We have a good understanding of lumpsums and the different duty stations as we work closely with the UN. We also encourage feedback and design our trainings accordingly.

I have a question about UNFCU and wills. The HQ of UNFCU is in NY, USA. How does this affect international members who may have written wills that are legally valid in their own countries but may not be considered legally valid in NY?

There are certain restrictions regarding the will legalities. We can give you more information if you reach out to us.

I got an offer for life insurance from Trustage in the mail. It says it is for UNFCU members and offers \$2000 coverage free and \$300k for \$15 a month. Is this real or fake?

Trustage is a third-party vendor we work with. They offer a partial life insurance which is an excellent option. They are slightly different from normal life insurances as they are not full life insurances but partial life insurances.

Can we have an educational session on investment options and possibilities for UNFCU members?

That's a great idea and we will look into that. We also already have a number of similar webinars which we will further amplify as well.