



A Message From:



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Where Will You Roll?

It's become a cornerstone of prevailing wisdom: Be sure to roll the money in your employer-sponsored retirement plan into an IRA when you separate from your employer. This smart move can help preserve tax benefits and avoid tax penalties, plus make it easier to keep track of your retirement assets. Perhaps this is why most IRA assets come from lump-sum rollovers rather than annual contributions.¹

But an IRA rollover is just the beginning. An IRA is not really an investment in itself, but rather a special type of account that can be invested in thousands of ways. When you roll money into an IRA, the custodian will typically put it into a default investment fund until you specify otherwise.

Mutual funds manage the largest share of IRA assets (see pie chart). These are some mutual fund options:

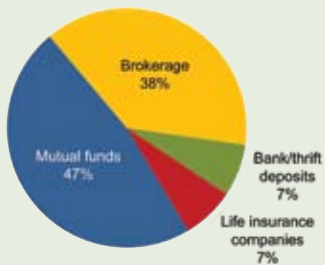
- Stock funds
- Bond funds
- Balanced funds

Whether you are preparing for an IRA rollover or simply looking for the appropriate investment vehicles for an existing IRA, it's likely that there is a mutual fund that can fit your needs.

Contact Kurt Hesser to schedule an appointment to discuss your rollover options at (215) 993-1548.

Where Rollovers Go

Of every \$18 held in traditional IRAs, more than \$17 comes from rollovers. Here's where American investors keep their IRA assets.



Source: Investment Company Institute, 2007 (amounts do not add up to 100% because of rounding).

¹ Investment Company Institute, 2007

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B2MM-1104-7399

Santa Claus is Coming to a MSDFCU Location

MSDFCU Chalfont Office

335 W. Butler Ave. (Rt. 202)
Chalfont, PA 18914

Date: Saturday, December 13

Time: 9:00 a.m. to 12:00 p.m.

Get your wish list ready and get a free photo with Santa. Enjoy snacks and join us for some fun!



Holiday Closings

Columbus Day

Monday, October 13

Veterans' Day

Tuesday, November 11

Thanksgiving Day

Thursday, November 27

Christmas Eve

Wednesday, December 24

Christmas

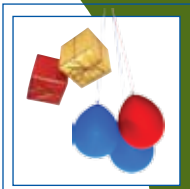
Thursday, December 25

New Year's Day

Thursday, January 1



International Credit Union Week Celebration



Hoffman Awards



5-Year Home Equity Loan



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Fall 2008

Make Your Vote Count with a Five-Year Home Equity Loan!



If you're in the market for a fixed-rate home equity loan, there's no better time than now to stop in to MSDFCU. We're offering a low 4.99% APR* with no application fee* on our five-year Home Equity Loan. Remodel, pay tuition, buy books, go green, consolidate bills, or whatever else you'd like to do by electing our low-rate and no application fee loan.

We are MSDFCU and we endorse this message.
Apply today online at www.msdfcu.org or call (215) 652-6777!

*Annual Percentage Rate (APR) is effective as of 8/21/08. Rate and terms are subject to change without notification. Rate is for a five-year home equity loan repaid through automatic deduction from an MSDFCU account. If not paid through automatic deduction, APR is 0.25% higher (5.24%). Minimum of \$15,000 in new money required to receive no-fee loan. Loans of \$250,000 or more require title insurance. Maximum Loan to Value 80%. Estimated monthly payment per \$1,000 borrowed at 4.99% APR is \$18.87. Please call (215) 652-6777 for the current rates.

International Credit Union Week Celebration

To celebrate International Credit Union Week, October 13-18, MSDFCU is giving back to its members with a week of festivities. Celebrate the week with us:

- MSDFCU will put the first \$5 in new member savings accounts opened during the week
- FREE morning refreshments on Thursday, October 16
- Free gifts while supplies last
- Meet Dollar Dog on October 16 between 12:00 p.m.-1:00 p.m. at the Lansdale branch office or between 4:00 p.m.-5:00 p.m. at the Chalfont branch office



Change Your PIN at MSDFCU's ATMs



There's a new feature available for your MSDFCU debit card! You can now change your Personal Identification Number (PIN) at any MSDFCU-owned Automated Teller Machine (ATM). To use the ATM option, you must know your current PIN. Insert your debit card into the ATM and enter your current PIN. Choose the *Next Menu* button and then choose the *Change PIN* button on the left hand side of the screen. Enter your new PIN. You'll be asked to re-enter the new PIN to verify it. It's that simple! Keep in mind the ATM option will only work at MSDFCU-owned ATM machines. Check the listing on our Web site for a complete listing of our ATMs.

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FEDERAL CREDIT UNION

Rates of Interest

All rates effective as of 9/17/08 and subject to change. Call (215) 652-6777 for the current rates.

Loans (Annual Percentage Rates)

New & Used Auto (up to 5 years)	PROMO RATE 4.99%*
New Auto (up to 6 years)	5.49%*
New Auto (up to 7 years)	6.74%*
Easy-Access Personal Line of Credit	Prime Rate + 3.99%
Premier Loan - Unsecured	8.99%*
Share Secured Loan	5.75%*
Other Secured Loan	8.25%*
Visa® Platinum	9.90%
MasterCard® Gold Rewards	11.50%

Federal Stafford and PLUS Loans are also available

Home Equity Loans (Annual Percentage Rates)

Fixed Rate Term	Up to 80% LTV**	Up to 90% LTV**
5-Year* PROMO RATE	4.99%	5.49%
7-Year*	5.99%	6.49%
10-Year*	6.49%	6.99%
15-Year*	6.74%	7.24%
20-Year*	6.74%	7.24%

*Rate is based on automatic repayment. Otherwise loan rate is .25% higher.
**Rate is based on loan to value ratio of your home.

Home Equity Line of Credit 4.99%**

**Annual Percentage Rate (APR) effective 3/1/08. Offer is for new Home Equity Lines of Credit opened on or after March 1, 2008 only and is subject to end at any time. Introductory 4.99% will remain in effect through March 2009. Thereafter, APR will be a variable rate equal to Prime Rate as published in the Wall Street Journal, subject to change quarterly. Estimated monthly payment per \$1,000 borrowed at 4.99% APR is \$7.90. All home equity applications are subject to a \$150 non-refundable application fee. Call or visit a branch for details.

Savings (Annual Percentage Yields)

Share Savings	0.625%
IRA Savings	3.00%

Money Market (APY)

\$2,500 min.	1.50%
\$20,000 min	2.25%
\$80,000 min	3.00%

Certificates (Annual Percentage Yields)

3-month	2.75%	6-month	3.00%
12-month	3.50%	18-month	3.55%
24-month	3.65%	36-month	3.75%
60-month	4.15%		

Min. balance for terms under 12-months is \$500; 12-months or more, \$1,000
Jumbo, IRA certificates, and other terms available

Financial Report

(As of August 31, 2008)

Assets	\$313,187,507
Shares	\$272,188,633
Loans	\$220,837,118
Members	24,275

Board of Directors

W. Andrew McPherson, Chairman		
Robert Muzzlay, First Vice Chairman		
Marjorie Reed, Second Vice Chairman		
Velma Hendricks, Treasurer		
Nancy James, Secretary		
Jeffrey James	William Cook	Christine Egolf
Bonnie Folgia	Jeffrey Friedman	Carter LeBrocq
Andrew Pinckney	Joseph Robinson	

Director Emeriti

John Becker	Jack Rubinsohn	Daniel Whitehead
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Supervisory Committee

Jeffrey James, Chairman	Dale Allen, Jr.
Thomas Eisenberger	David Hashiguchi
John Waddington	

CEO

David Whitehead

Cash Awards Available for 2009 High School Graduates

For the 38th consecutive year MSDFCU is offering the Raymond O. Hoffman Award to recognize 2009 graduates who are active in their community. The award was created in honor of Raymond O. Hoffman, founder and first president of Merck Sharp & Dohme Federal Credit Union, who contributed many hours of volunteer service to the credit union's formation and success.

In 2008, five students received \$5,000 each.

For more information and to apply, go to our Web site. The application, essay and endorsement letters must be received no no later than January 23, 2009.



MSDFCU in the Community

As part of our ongoing mission to serve, MSDFCU has been participating in charitable events throughout the year. One of our largest events is the Annual Charity Golf Outing. This year, Bridge of Hope BuxMont received \$12,000 from the event. To date, MSDFCU has raised a total of \$97,000 for charity through the golf outing.

To keep up with technology, the credit union is constantly upgrading equipment. Since the equipment isn't obsolete, it can be used or sold. Women in Need of Greater Strengths, Inc (known as WINGS for Life) benefited from this year's upgrade. MSDFCU presented them with a check for \$2,500 from the proceeds of the equipment. They'll use it to outfit their new computer lab with software applications.



MSDFCU CEO David Whitehead (right) presents the check to Bridge of Hope BuxMont's Program Manager Meghan Kincade (middle) and Marjorie Reed (left), a board member for both institutions.



From right: Information Systems Network Manager Robert Green, Vice President of Marketing and Training Domenic DiPillo, WINGS for Life Executive Director Annette Hubbard, and MSDFCU Board Member Andrew Pinckney

Dave's Desk

Financial Literacy Begins at Home



We often hear of kids heading out on their own and running up huge debts. As a parent, you may find yourself either bailing the child out of debt or letting them learn the lesson, often saying to yourself, "I should have provided them advice." There's a better way. Teach your children and grandchildren money management skills now while they're at home before they face the challenges of easy credit and excessive debit swiping.

Your credit union can help you provide the tools and resources to teach your children or grandchildren. If they don't already have an account, open one up for them. It's the perfect time to start as we celebrate International Credit Union Week since we'll open new member accounts by making the first five dollar deposit for you during the week of October 13-18.

Financial literacy is an issue across the country. **The reason may be that 80% of parents believe that their children are being taught personal money matters in school, yet 90% of high school students and 87% of college students say that whatever they know about money they learn from their parents.** To compound the issue, of parents with children five and older, only 26% felt well enough prepared to teach their kids about personal finances. That's where MSDFCU can help.

To teach basic budgeting, savings and credit, we offer CU Succeed University, a certificate program for older teens. The three-part seminar series is offered in the spring and fall each year and is free. We have two clubs for children: Dollar Dog and CU Succeed. These clubs will introduce your children to basic money management. They'll receive quarterly newsletters which will give them a foundation to begin learning and give you the opening to discuss finances further with them.

For college-bound students, set them on the right path with our pre-paid debit cards, home banking and online services. Many parents find the reloadable cards beneficial as they limit spending while providing detailed reports of card usage. E-deposit is a great service for students who are earning money on campus and need a way to deposit checks and get access to the funds.

The responsibility is ours to teach the next generation the financial skills they need to enhance their lives instead of allowing lack of information to lead them down the wrong path. Your credit union is here to provide the resources they need for financial success.

FAQ

Gift Card Limits

Q. Why was my gift card denied?

A. If a decline occurs, the card's available balance is probably less than the purchase amount. You may inform the merchant of the remaining balance on the card and use another form of payment to pay the difference, subject to the policy of the merchant. Also please be aware that some merchants—for example restaurants, car rental agencies, salons, mail-order companies, and cruise lines—preauthorize for an amount slightly higher than your actual transaction. This is to ensure sufficient funds are available for tips or incidental expenses. This amount is "held" until the transaction settles to your Gift Card. Use of the card at automated fuel dispensers requires a minimum balance of \$50 to \$75. However, only the actual amount spent will ultimately be deducted from the card.

Holiday Gift Cards are available. Stop by any MSDFCU office to purchase.



Hours and Locations

Chalfont

335 W. Butler Ave., P.O. Box 127
Chalfont, PA 18914
Mon., Wed., Thurs. 8:00 a.m. – 6:00 p.m.
Tues. 9:00 a.m. – 6:00 p.m.
Fri. 8:00 a.m. – 7:00 p.m.
Sat. 8:00 a.m. – 12:00 p.m.

Lansdale

333 S. Broad Street, Lansdale, PA 19446
Mon., Wed., Thurs. 8:00 a.m. – 6:00 p.m.
Tues. 9:00 a.m. – 6:00 p.m.
Fri. 8:00 a.m. – 7:00 p.m.
Sat. 8:00 a.m. – 12:00 p.m.

Harleysville

Coming soon
Intersection of Routes 63 and 113

The following offices require Merck ID:

Blue Bell

Unisys Bldg. C, 785 Jolly Road
Blue Bell, PA 19422
Mon. 8:00 a.m. – 4:00 p.m.
If Monday is a holiday, the branch will be open the following day (Tuesday).

Broad Street West

Box 4, WP97A-121, West Point, PA 19486
Mon., Wed., Thurs., and Fri.
8:00 a.m. – 4:00 p.m.
Tues. 9:00 a.m. – 4:00 p.m.

Upper Gwynedd

351 N. Sumneytown Pike
P.O. Box 1000, UG2-CU
North Wales, PA 19454
Mon., Wed., Thurs., and Fri.
8:00 a.m. – 4:00 p.m.
Tues. 9:00 a.m. – 4:00 p.m.

West Point

Box 4, WP53F-102, West Point, PA 19486
Mon., Wed., Thurs.
8:00 a.m. – 4:00 p.m.
Tues. 9:00 a.m. – 4:00 p.m.
Fri. 7:30 a.m. – 4:00 p.m.

Contact Information

Call Center: (215) 652-6777 or 1-800-86-MSDCU (67328)

CUTIPS (24-Hour Audio Response): (215) 652-0250 or 1-800-4-CUTIPS (288477)

Web site: www.msdfcu.org

E-mail: info@msdfcu.org

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Editors: Anne Lawver, Dorene Gregory & Domenic DiPillo



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