



Your Wealth Management Team
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A Message
From:



Are You Contemplating Converting Your IRA To A Roth IRA?

With the new tax law effective January 1, 2010, everyone with an IRA is now eligible to convert their Traditional IRA into a Roth IRA. But, does it suit your needs? This is the question many members are pondering. Here are a few areas for you to consider when you're analyzing your IRA situation.

- **Do you have at least five years before you'd use the fund? You'll need time to recoup the initial tax hit.**
- **Can you afford the income tax you'll pay? Or, should you spread out your conversion?**
- **What tax bracket are you most likely to be in when you retire? If it's higher, you may want to convert. If it's lower, you'll need to do the calculations to examine the outcome first.**
- **Do you have beneficiaries? They can receive Roth IRA funds tax-free. But, you'll have to pay the taxes now.**

These are just a few of the many questions you should answer before you switch your IRA. If you'd like help, visit Kurt! Kurt Hesser can sit down and walk you through the options. You'll then be able to make an informed decision based on your financial situation.

It doesn't hurt to visit Kurt! Call today to schedule your no-cost, no-obligation consultation at 215-996-3777.

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82MM-1104-7399

Tax Time!

IRS rules allow you to split your tax refund and send direct deposits to as many as three different accounts with three different financial institutions. When you split your refund into multiple accounts, you can boost your savings too. Instead of spending your refund, consider saving all or a portion of it in one of our **money market accounts, individual retirement accounts (IRAs) or Coverdell Education Savings Accounts.**



Splitting your refund is easy. Use IRS Form 8888 to designate to which accounts—and in what amounts—you want your refund disbursed.

Place your tax refund into your MSDFCU account by using our routing number: 231386645.

Annual Meeting

As we celebrate the start of our 60th year of service to our membership, we invite you to the MSDFCU Annual Meeting. All members are welcome to attend. Admission is free. You'll have the opportunity to learn about our past year and future endeavors while also recognizing outstanding volunteerism by our youth who are chose as the Hoffman Award winners.

Date: Tuesday, March 30, 2010
Time: 5:00 p.m. Refreshments
6:00 p.m. Meeting
Location: Pine Crest Country Club
Lansdale, PA



The Prescription

WINTER 2010

Stuck in a pile of debt?

Bundle up and protect yourself now!



When the bills start to accumulate and you feel snowed in, use the equity in your home to get on top of it all. Stop the snowball effect of all those high interest rate bills by consolidating with one, easy payment at a great rate. Plus, the interest may be tax deductible (please consult your tax advisor).

Dig yourself out with a 3.99% APR* Home Equity Line of Credit at a **fixed rate until June 30, 2011**. It'll melt your heap to a more manageable size.

1Rate effective January 1, 2010 and may be withdrawn without notice. All home equity loans are subject to a \$150 application fee. This is a fixed rate until June 30, 2011, thereafter the rate is variable, subject to change quarterly based on the Prime Rate as published in the Wall Street Journal with a floor of 3.99% and a ceiling of 18.00%. Estimated monthly payment per \$1,000 borrowed at 3.99% APR is \$7.39. Line based on a maximum loan to value (LTV) of 80%.

Slip Sliding Through Winter Weather

If you drive, chances are you've felt the panic and adrenaline rush as your car slides along an icy patch or wet roadway. How you cope with that initial jolt is what may keep you safe.

When that moment of terror strikes, the faster you regain your composure and start thinking can be the difference between life and death. By the time you're skidding, it's too late to brake, but you don't want to continue accelerating, so slowly remove your foot from the accelerator. Moving too fast to brake or accelerate is often the cause of skidding on slick road surfaces. To regain traction, steer in the direction you are skidding. This seems counterintuitive, but it's your best chance to keep from spinning out of control. As traction is regained, slowly turn the steering wheel in the direction you want your car to go.

The best thing is to avoid this situation altogether. Learn to recognize potential danger in the winter. Areas where direct sunlight or where wind can create black ice are especially dangerous. Be careful when you brake and know what type of braking system you have. If your car is equipped with an anti-lock braking system (ABS), use it correctly by applying steady pressure until you come to a complete stop. ABS brakes will automatically pump the brakes for you to prevent wheel lock. If you don't have ABS, then applying gentle pressure and pumping your brakes to stop in slippery conditions will help get you to your destination safely.

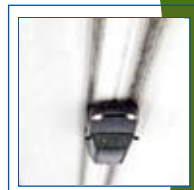
Slow and steady wins the race – or at least gets you through the winter. It may seem like slow motion, but it's your best defense to a safe, wintery drive. Keep your distance and use your sense to get through the winter hazards.



Tax Time



Slip Sliding Through Winter Weather



Stuck in a Pile of debt?



IN THIS ISSUE

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MERCK SHARP & DOHME
FEDERAL CREDIT UNION
P.O. Box 127 • Chalfont, PA 18914

Rates of Interest

All rates effective as of 12/17/09 and subject to change without notice. Call (215) 996-3700 for the current rates.

Loans (Annual Percentage Rates)	
New & Used Auto (up to 5 years)	3.99% ¹
New Auto (up to 6 years)	4.99% ¹
New Auto (up to 7 years)	5.99% ¹
Easy-Access Personal Line of Credit	Prime Rate + 3.99% ²
Premier Loan - Unsecured	8.99% ¹
Share Secured Loan	5.75% ¹
Other Secured Loan	8.25% ¹
Visa® Platinum	9.90%
MasterCard® Gold Rewards	11.50%

Federal Stafford and PLUS Loans are also available.

¹ Rate is based on automatic repayment. Otherwise loan rate is 0.25% higher.

² Floor of 7.99%

Home Equity Loans (Annual Percentage Rates)

Fixed Rate Term	Up to 80% LTV ³
5-Year ¹	4.99%
7-Year ¹	5.99%
10-Year ¹	6.49%
15-Year ¹	6.74%
20-Year ¹	6.74%

³ Rate is based on loan to value ratio of your home.

Home Equity Line of Credit 3.99%⁴

⁴ Annual Percentage Rate (APR) effective 4/23/09. This is a fixed rate until June 30, 2011, thereafter the rate is variable, subject to change quarterly based on the Prime Rate as published in the Wall Street Journal with a floor of 3.99% and a ceiling of 18.00%. Estimated monthly payment per \$1,000 borrowed at 3.99% APR is \$7.39.

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	0.50%
IRA Savings	0.75%

Money Market (Annual Percentage Yields)

\$2,500 min.	0.60%
\$20,000 min	0.85%
\$80,000 min	1.10%

Certificates (Annual Percentage Yields)

3-month	0.90%	6-month	1.00%
12-month	1.25%	18-month	1.50%
24-month	1.75%	36-month	2.25%
60-month	3.00%		

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

ABA Routing Number: 231386645

Financial Report

(As of November 30, 2009)

Assets	\$398,351,103
Shares	\$344,522,310
Loans	\$220,645,805
Members	26,333

Board of Directors

W. Andrew McPherson, Chairman		
Robert Muzsly, 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

Supervisory Committee		
Jeffrey James, Chairman	Dale Allen, Jr.	
Thomas Eisenberger	Michael Gordon	
John Waddington		

CEO David Whitehead



Federally insured by NCUA

FAQ:

Baby Accounts Are Available

Q. We just had a baby! Do you have newborn accounts?

A. We not only have accounts for newborns, but we'll even give you the first five dollars into their new savings account up to their first birthday. It's a great idea to start your newborn on the right financial path with an account. You can save the money they receive from friends and relatives for them by opening an account. Just bring in your child's social security number and we can open the account for you.



Digging In or Out, Stay Safe

The thought of being stuck in your car for several hours during a snow storm or digging it out after one are never comforting thoughts. Being prepared for either situation can make it a little less stressful to endure. Here are a few ideas to help you dig in or out this winter.



- Always keep your car gas tank full. Consider the tank empty when it's half full. You'll need all the gas you have in an emergency situation to stay warm.
- Burlap is a great idea to keep in a car for many uses. It can be used as a blanket for warmth or put under tires for traction. It's not a large item to store in your trunk as you can put things on top of it without worrying it'll be damaged or break open. Brightly-colored burlap is better as you can use it as a distress flag as well.
- Always carry a good ice scraper, preferably one with a brush or even the newer ones with a small push shovel on the end. The law now holds motorists responsible for accidents caused by ice and snow coming off their cars, so when you're digging in or out, you'll need to clear your car before moving it.
- An extra set of car keys in your pocket may be a lifesaver. If you lock yourself out of the car in a remote area during a storm, you can get back in if you keep a spare in your pocket.
- Updated road maps may seem old-fashioned, but if the weather is bad, a GPS may not be receiving a signal. Detours due to road conditions or alternate routes and town locations are all important to know in an emergency.
- Keep moving. Circulation in your arms and legs is important to your health and safety. It will also keep you warmer.
- Stay awake. Sleeping will lower your body temperature. For warmth, huddle with any other person who may be near and make sure to keep your head covered.
- Clear your tailpipe whether you're stuck or digging out to prevent carbon monoxide poisoning.
- Run the motor and heater for only a few minutes every hour with one window slightly opened to get fresh air in.
- Turn your cell phone on and off periodically to conserve its battery, but allow rescuers to pick up your signal.
- Know your health limits. If shoveling may cause too much stress to your system, do it slowly and take breaks. Too many people die every year from shoveling with heart attacks as they aren't used to the physical conditioning needed to dig out.

Dave's Desk



The safety of financial institutions, bailouts, and mergers continued to dominate the news through 2009. Many media outlets reported consumers voicing their displeasure with large financial institutions and searching for local alternatives. In numerous national news articles, credit unions were touted as a safe and consumer-friendly alternative. A place where consumers would find real value, service, lower fees, no hidden penalties, and were glad they made the switch.

In 2009, we were able to achieve record asset growth reaching \$400 million. Our member growth continued at four times the rate of our peers climbing to 26,000 members. Meanwhile, we continued our strong financial performance with net income exceeding industry peers by three times. With these strong financials and service standards, the National Credit Union Association (NCUA) recognized our efforts as well with top marks in their annual audit.

These results were made possible by our continued focus on our members' needs; by offering safe, insured investment alternatives; and providing loans at low market-leading rates. Also important to our success is operating your Credit Union with dedicated local volunteers, and a conservative fiscal approach to investing and lending. These principles were key to achieving our results in 2009 and to the industry as not one single credit union received government bailout funds.

At MSDFCU, we are pleased many members brought more of their business to us and new members found the rewards of being a credit union member. The greatest compliment we receive is your recommendation of our services to a family member or co-worker. I believe they will find the value of being a credit union member and be thrilled they made the switch.

On behalf of the staff and volunteers at MSDFCU, we sincerely thank you for your business and the trust you have placed in us in serving your financial needs.

Wishing you and your family a healthy and prosperous New Year.

Congratulations and Thank You to Our Employees

During 2009, we had several employees reach milestones in their careers with MSDFCU. We'd like to thank the following employees for their combined 95 years of service and dedication:

Liz McCreary, IS Assistant	20 years
Pamela Battistoni, Card Services Manager	20 years
Dana DeFilippis, VP of Finance	10 years
Christine Kronstain, Harleysville MSR	10 years
Stacy Mitchell, Asset Recovery Clerk	10 years
Sara Dehaven, Lansdale MSR	5 years
Daniel Burkart, Call Center Manager	5 years
Bharti Shah, Lansdale Teller	5 years
Charmaine Duval, Lansdale Teller	5 years
Jennifer Borichewski, MEMBERS Financial Services Assistant	5 years



Hours and Locations

Chalfont, Lansdale and Harleysville
 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.

Chalfont
 P.O. Box 127
 335 W. Butler Ave.
 Chalfont, PA 18914

Lansdale
 333 S. Broad St.
 Lansdale, PA 19446

Harleysville
 665 Main St.
 Harleysville, PA 19438

The following offices require Merck ID:

Blue Bell
 Unisys Bldg. C, 785 Jolly Rd.
 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. Sumnetytown 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) 996-3700 or 1-800-86-MSDCU (67328)
CUTIPS (24-Hour Audio Response): 1-800-4-CUTIPS (288477)
Web site: www.msdfcu.org
E-mail: info@msdfcu.org

Holiday Closings

Martin Luther King, Jr. Day - Monday, January 18
Presidents' Day - Monday, February 15

The *Prescription* is a quarterly publication of Merck Sharp & Dohme Federal Credit Union.