Opportunity Fund News

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Income Match increased to 3%

For the 2018 tax year and moving forward, the income match has increased from 2.5% to 3%. The grant amount is determined as follows:

- ◊ If the current year income is less than or equal to the previous year income, no grant is awarded.
- ◊ If the actual year-over-year dollar increase is less than 3% of the current year income, then that is the grant amount.
- ◊ If the actual year-over-year dollar increase is more than 3% of the current year income, then the grant is capped at 3% of the current

REMINDER: Enhancements made to Earned Income in 2018

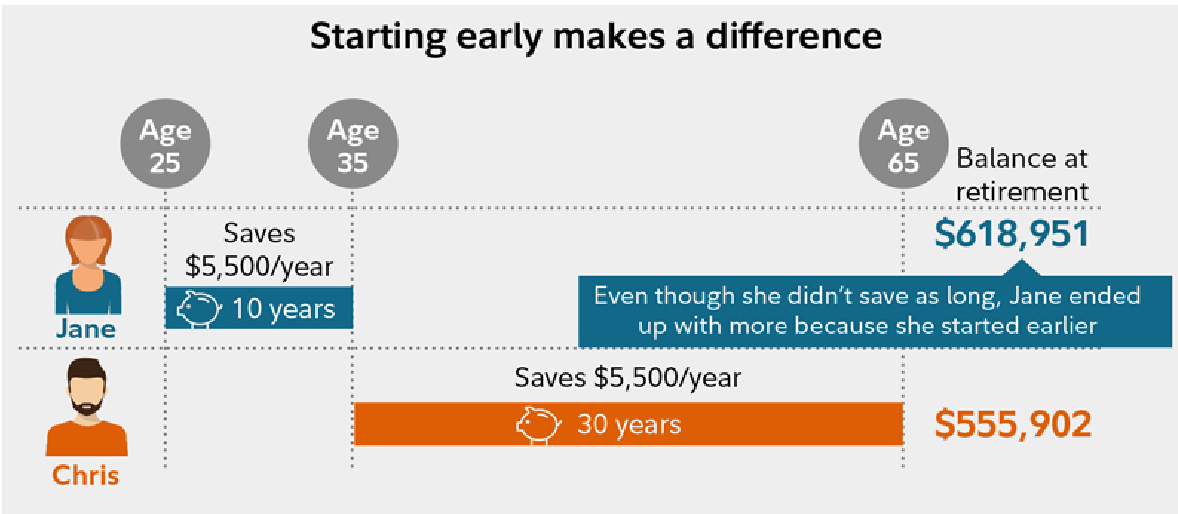
If you contribute to an employer-sponsored 401K or Health Savings Account, those contributions will now be eligible in the calculation for Earned Income. Make sure to submit your year-end pay stubs in addition to your W-2s to be able to take full advantage of the enhanced earned income provisions.

Earned income applications are considered in April and July each year. Remember to get your applications turned in before the July meeting.

If you have questions, please contact your family representative.

Financial Spotlight: The Power of Compounding

The age you start investing in an IRA matters: It's never too late, but earlier is better. That's because time is an important factor when it comes to compound growth. Compounding is what happens when an investment earns a return, and then the gains on the initial investment are reinvested and begin to earn returns of their own. The chart below shows just that. Even if you start saving early and then stop after 10 years, you may still have more money than if you started later and contributed the same amount each year for many more years.



This hypothetical example assumes the following: (1) annual IRA contributions on January 1 of each year for the age ranges shown, (2) annual $5,500 contribution for first year and thereafter, (3) an annual rate of return of 7% and (4) no taxes on any earnings within the IRA. The ending values do not reflect taxes, fees or inflation. If they did, amounts would be lower. Earnings and pre-tax (deductible) contributions from traditional IRAs are subject to taxes when withdrawn. Earnings distributed from Roth IRAs are income tax free provided certain requirements are met. IRA distributions before age 59½ may also be subject to a 10% penalty. Systematic investing does not ensure a profit and does not protect against loss in a declining market. This example is for illustrative purposes only and does not represent the performance of any security. Consider your current and anticipated investment horizon when making an investment decision, as the illustration may not reflect this. The assumed rate of return used in this example is not guaranteed. Investments that have potential for a 7% annual rate of return also come with risk of loss.

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Upcoming Opportunity Fund Meetings

January 21, 2019 (applications due January 4, 2019)
April 15, 2019 (applications due March 29, 2019)