

MONEY MATTERS



Parkston, SD
605-928-7991



Kaylor, SD
605-583-4471

Volume 8, Issue 2
Summer 2006

New FDIC Coverage for Retirement Accounts



From the President's Desk

Scott Bormann, President

The cover article in this newsletter explains how the FDIC recently raised the coverage for retirement accounts from \$100,000 per depositor to \$250,000 per depositor. While the \$250,000 coverage is ONLY for retirement accounts including Traditional and ROTH IRA's, we would like to remind you that there are different ways to qualify for more than the basic \$100,000 coverage for other deposit accounts. If you would like to know more about the ability to have more insurance coverage, or if you have questions about the insurance coverage on your IRA retirement accounts, please contact one of our tellers at either location.

For the first time in more than 25 years, Congress has raised the limit on the federal deposit insurance coverage that protects your retirement savings. The new law provides up to **\$250,000 of deposit insurance for retirement accounts**—the combined total of the Traditional and ROTH IRA's (Individual Retirement Accounts), self-directed Keoghs and certain other retirement accounts an individual may have on deposit at an FDIC-insured bank or savings institution, up from \$100,000 previously. In general, self-directed means the consumer chooses how and where the money is deposited.

The basic insurance coverage for other deposit accounts remains at \$100,000 per depositor. However, as before, there are ways to qualify for

more than the basic coverage. That's because different categories of accounts are each separately insured to at least \$100,000 per depositor.

The FDIC does NOT insure investments that are not bank deposits—for example, mutual funds, stocks, bonds, life insurance policies and annuities—even if you purchased them from an FDIC-insured institution.

The FDIC can help answer your questions. Go to www.fdic.gov to find publications as well as the Electronic Deposit Insurance Estimator (EDIE), a tool allowing you to get a summary of your FDIC coverage. Or call toll-free 1-877-ASK-FDIC (1-877-275-3342) Monday through Friday, 8:00 AM to 8:00 PM, Eastern Time. For the hearing-impaired, the number is 1-800-925-4618.

The Rule of 72 - Figure Your Own Interest

Have you always wanted to be able to do compound interest problems in your head? Probably not, but it's a very useful skill to have because it gives you a lightning fast benchmark to determine how good (or not so good) a potential investment is likely to be.

The rule says that to find

the number of years to double your money at a given interest rate, you just divide the interest rate into 72. For example, if you want to know how long it will take to double your money at four percent interest, divide 4 into 72 and get 18 years. (You must assume the interest is compounded annually and you make no other deposits.)



24 Hour
Phone Banking



928-4040
888-459-4040

INTERNET BANKING AT
WWW.FSBPARKSTON.COM

Tips to Avoid Identity Theft

The Independent Community Bankers of America (ICBA) released a list of ten safety tips to help consumers protect personal information and avoid identity theft.

1. Check your credit report.
2. If you bank or pay credit cards online, avoid passwords that include personal information, such as mother's maiden name or date of birth.
3. Don't give out personal information over the phone, through the mail, or on the Internet.
4. Don't use your Social Security Number on your driver's license.
5. Banks will not ask you to verify personal



information over the phone or via email.

6. If you receive a phone call or email asking you to verify information, end the call, and call the bank directly.
7. Protect your personal information. Don't leave sensitive documents containing personal information where anyone can see it.
8. Use a shredder before disposing of personal records.
9. When going on vacation, temporarily stop mail delivery; the U.S. Postal Service will hold mail for you.
10. Don't use an automatic log-in feature on your computer.

Employee Recognition

Farmers State Bank would like to congratulate the following employees for their years of service: Bob Bormann (35yrs.), Marilyn Moke (35yrs.), Scott Bormann (20yrs.), Leslie Mechtenberg (15yrs.), Paul Bormann (10yrs.), Sharon Fergen (10yrs.), and JD Bormann (5yrs.).

Farmers State Bank takes pride in the many years of experience we hold. Our employees have a combined 337+ years of experience, a service which speaks for itself. A big "Thank You" goes out to our employees for their dedication and service.

Teller Tidbits

- The next two state quarters have arrived, Nebraska and Colorado. Reminder: we only have the new state quarters for a limited time.
- The highly anticipated South Dakota state quarter is scheduled for release in November.
- We will be closed **Tuesday, July 4th, 2006** and **Monday, September 4th, 2006** in observance of Independence Day and Labor Day.
- We have two new faces in the Drive-up. They are Katie Weiss & Miranda Meyer.

Internet Banking

Farmers State Bank is working to offer a more secure Internet Banking experience.

Coming this fall, Internet Banking users will need to enroll each computer they plan to use for Internet Banking. This enrollment will store a browser-based secure cookie with an ID stored on your computer as a second security factor in addition to your customer number and password.

This process will prevent unauthorized access using stolen credentials on a non-enrolled computer. Internet Banking customers will receive more information in the near future.