



HEADLINES

HANNAFORD ASSOCIATES FEDERAL CREDIT UNION

WINTER 2005

TAX TIME INFORMATION

New IRA Contribution Limits!

Up until tax year 2001, \$2,000 was the largest contribution allowed to an Individual Retirement Account (IRA) each year. To encourage retirement savings, the government is increasing the annual deposit amount! Currently, the contribution limit for 2004 is \$3,000. By tax year 2008, the contribution amount will grow to \$5,000!

Additionally, if you are 50 or older by the end of the tax year, you have the option of making an additional "catch-up" contribution. You are allowed to put an extra \$500 in your IRA. That means this year you can contribute up to a total \$3,500 to your IRA account with HAFUCU.

In coming years, individual and catch-up contribution limits are scheduled to increase even



more to a maximum of \$6,000 in 2008! See the chart below.

Call us at 1-800-852-1012 to prepare for your future — open your IRA today!

This article is not intended for professional tax advice. To see if you qualify for a tax deduction or an IRA plan, please contact a tax professional.

| Tax Year | Individual Contribution Limit | "Catch-Up" Amount for Owners 50 or Older | Total Contributions for Owners 50 or Older |
|----------|-------------------------------|--|--|
| 2004 | \$3,000 | \$500 | \$3,500 |
| 2005 | \$4,000 | \$500 | \$4,500 |
| 2006 | \$4,000 | \$1,000 | \$5,000 |
| 2007 | \$4,000 | \$1,000 | \$5,000 |
| 2008 | \$5,000 | \$1,000 | \$6,000 |

NEW PRESIDENT AND CEO

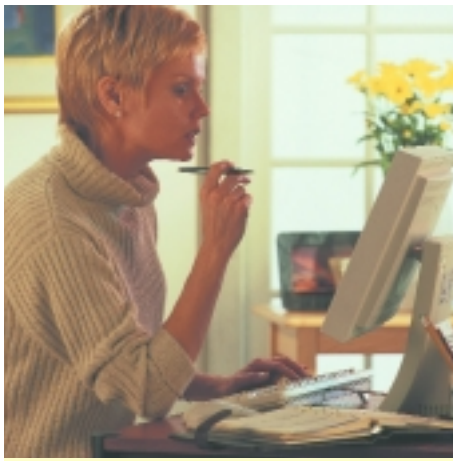
Peter Prinz

We are very pleased to announce that Peter Prinz has accepted the position of President and CEO of the Hannaford Associates Federal Credit Union. In his new role, Peter will be responsible for developing and implementing a vision that will continue to serve the members of the credit union.



Peter comes to the credit union with over 25 years of experience in finance, operations, investment and risk management with community financial institutions. During his career he has held the positions of Treasurer, Risk Manager and Finance Director.

If you have any questions or need any further information, please feel free to contact the credit union or stop by to say hello.



ATTENTION
Express Net
Users

Did you know that beginning in December 2004, you will be able to view your statements electronically? With this convenient and easy new service, you will have the capability of viewing, saving and printing your statement from any computer! You will continue to receive paper statements through February.

Beginning in March you will receive an email informing you that your statement is ready for viewing!

You also will be receiving notices electronically! No more paper piling up in your files and mailbox!

If you are not already signed up for Express Net, need to update your current information on file with us, or would like more information regarding eStatements, please visit www.hannafordcreditunion.com or call Member Services at 1.800.852.1012 option 5.

HOLIDAY CLOSINGS

January 17 *Martin Luther King Day*
 February 21 *Presidents Day*
 May 30 *Memorial Day*

COURTESY PAY

**Overdraft Protection
 is Now Here!**

We are pleased to provide you a new overdraft privilege. This service, which we call Courtesy Pay™, may be added to your share draft checking account in accordance with our Discretionary Overdraft Disclosure.

Now, if your account is accidentally overdrawn for any reason, including debit signature based transactions, we may be able to cover your overdrafts. Courtesy Pay can save you the embarrassment and inconvenience of a returned check as well as the additional fees and penalties normally charged by others for checks returned to them unpaid. If you have an overdraft line of credit, Courtesy Pay offers extra protection if you exhaust your available credit.

When a transaction is presented to us for payment that exceeds your account balance and any available overdraft line of credit or share account previously set-up, it

will be assessed the Non-Sufficient Funds (NSF) fee then in effect, currently \$25, for handling each item paid. This is the same fee that would result for checks drawn against non-sufficient funds that are returned to the payee. You renew your overdraft privilege by making a deposit to your share draft checking account to cover funds advanced plus any related fees.

Courtesy Pay is offered as an additional benefit of your Hannaford Associates FCU checking account and is not a line of credit and should not be used for that purpose. If needed, we do offer an overdraft line of credit, which is more cost effective. Please contact our loan department for more details.

For more details about this new benefit or for a copy of our Discretionary Overdraft Disclosure, please contact the credit union.



Hannaford Associates Federal Credit Union

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