



Notes of Interest



Year in Review

By Mike Bock, CEO

As year-end approaches, it's always interesting to look back on some of the events that have impacted us. The year started with a great deal of financial optimism as there was regular discussion about increasing interest rates and a continually improving stock market.

Modest interest rate increases

While there have been some increases to interest rates, they have been slow and modest. But, at least, after many years of doing almost nothing, there was finally some upward movement.

For savers, this was a welcome change. For borrowers, loan rates may have increased a little, but still remained low when looking at rates over a longer historical perspective.

As for the stock market, it has been a happy and upward ride for the year. Where it stops nobody knows, but those of us who have some years under our belts will not be surprised if some form of correction occurs. **What do you see in your crystal ball?**

Equifax breach

The big news of the summer was the Equifax breach. This is something all of us should take seriously. If you were unlucky enough to have your information compromised, this breach could expose much of your personal financial information to the bad guys. You will find



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100 South Hwy 25
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I'm Changing Jobs. What Should I Do With the Money in My Plan?

Changing jobs is an important decision — one that many of us are making more often. Once you've decided to switch jobs, your next move is to determine what to do with the money in your former employer's retirement plan.

Four common options

Generally, you have four options for handling the money in your account:

Option #1. Keep the money in your former employer's plan

If your former employer permits, leaving your money where it is may be an attractive option because it allows you to continue enjoying the benefits of tax-deferred compounding. If you are happy with the plan's investment options, this could be a good choice. On the downside, there may be special conditions or fees associated with your continued participation, and you may have withdrawal restrictions in the future.

Option #2. Roll the money into your new employer's plan

This option also has its advantages — continued tax-deferred growth of your investment and the convenience of having all of your retirement assets in one place. But because every employer has its own rules governing rollover money, before you choose this option, review your new employer's plan and possible eligibility restrictions carefully.

Option #3. Take the money in cash

While this option may seem appealing because it gives you immediate access to your money, Uncle Sam is the real winner here. Cash distributions are subject to a mandatory 20% federal withholding in addition to regular income tax.



Furthermore, if you are under age 59½, your distribution would also be subject to a 10% additional federal tax. Finally, if state or local taxes apply, they could claim

an even bigger portion of your account.

Option #4. Roll the money directly into an IRA

This final option allows you to roll all or a portion of your money into an IRA. To avoid withholding taxes and potential penalties, arrange for a direct rollover of the entire amount into an IRA. An IRA offers the same benefits of tax-deferred investing for retirement and typically provides a wider range of investment options to choose from. However, additional fees or commissions may apply.



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LPL Financial Advisor
Rice Lake



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LPL Financial Advisor
Menomonie

The money you accumulate through an employer's plan may become a primary source of income after you retire, so how you manage it today could have a big effect on your financial situation in the future.

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Planning is Good for Your Health

Health care needs and their related costs can be hard to plan for. If you have a high deductible health plan, consider opening a Health Savings Account. The money you put in this year doesn't have to be used this year — it stays in place until you need it.



How an HSA works

To qualify for an HSA, you must have a high deductible health plan and be under 65. An HSA allows you to save tax-free dollars to use for out-of-pocket medical expenses, such as eye glasses, braces, hearing aids and

acupuncture treatments, to name a few. A long list of health-related services and costs are allowed by the IRS.

Your HSA is also an excellent way to save for retirement as the money in your account continues to grow tax-free, year after year.

DSB's HSA

At Dairy State Bank, Health Savings Accounts work like a regular checking account. You can either write a check or use your debit card to pay for qualified medical expenses. Statements can be mailed or viewed online, and you'll receive a year-end report for tax purposes.

HSA account features

- No Minimum Balance
- Free Debit Card
- Earns Interest
- Free Online Banking
- Monthly e-Statements
- Year-End Report

To open an HSA, stop in at your local Dairy State Bank office. ➤

2018 limits for IRAs, HSAs and HDHPs

The IRS has announced the following contribution limits for 2018:

Traditional and Roth IRAs

- \$5,500 Regular
- \$1,000 Catch-up (age 50 or older)

Health Savings Accounts

- \$3,450 Individual
- \$6,900 Family
- \$1,000 Catch-up (age 55 or older)

High Deductible Health Plans

In addition, the 2018 minimum annual deductible amounts for high deductible health plans (HDHPs) are as follows:

- \$1,350 Individual
- \$2,700 Family

A New Look for www.dairystatebank.com

In November, the Dairy State Bank website was updated with a fresh, new look. Our newly designed site features expanded menu options, making it easy to navigate and find exactly what you need.

Check it out

- ✓ Quickly log into your personal or business online banking right from the home page.
- ✓ Our Mortgage Center area contains everything you need to learn about and apply for a mortgage loan.
- ✓ We've expanded our Online Education Center to include more tutorials about the products and services you use the most.
- ✓ Easily find Rewards Club information about upcoming trips and events.

Let's get social

See what we are posting on Facebook by viewing our live feed at the bottom of the home page.

Responsive design

Our site is now easily viewed on laptops, smartphones and tablets. And, if you need to contact us, you can do so securely through our contact page.

If you haven't visited us lately, we hope you take a few minutes to explore our new site. ➤



How the Equifax Data Breach Affects You

In September of this year, the most damaging data breach to date was announced.

Equifax, one of the nation's three largest credit reporting agencies, was breached and 145.5 million people (roughly half of all adults in the United States) lost their personal information to criminals. Names, addresses, birth dates, social security numbers and, in some cases, credit card and driver's license numbers, were stolen from the databases at Equifax.

Now what?

With so much information available from the news, web and social media, we understand that it can be confusing and intimidating to know what steps to take to see if you were affected and how to protect yourself going forward.

It is in your best interest to know if your personal information was part of the breach. Once you know, you can take steps to protect yourself.

Even if you were not part of this breach, it is best to be proactive and monitor your accounts.

Tools and resources available through DSB

Dairy State Bank has several resources and tools to help you reduce your risk of fraud from identity theft.

- The Online Education Center at www.dairystatebank.com, offers tutorials on personal and business identification theft
- Monitor your accounts frequently:
 - Balance your bank statements regularly
 - Use Online Banking to monitor account balances and transactions
 - Use Mobile Banking Instant Balance to view account balances quickly
 - Setup balance and transaction alerts in Online Banking
 - Setup debit card alerts in CardValet

If you notice suspicious transactions or have questions, contact us immediately.

Was I Part of the Equifax Breach?

To find out if you were part of the Equifax breach, you can either:

1. Go to the special Equifax website www.equifaxsecurity2017.com,
2. Or call 866-447-7559

Equifax is offering **free identity theft protection and credit file monitoring** to all US consumers — even if you are not impacted by this breach — for one year.

Act today — enrollment ends January 31, 2018.

FTC's www.identitytheft.gov offers additional help

The Federal Trade Commission (FTC) is the arm of the government that deals with many consumer issues, including identity theft. They operate the website www.identitytheft.gov, full of valuable information on identity theft and the place to go to report identity theft.

The FTC also offers checklists and sample letters to guide you through the next step, the recovery process. The FTC's booklet, "Identity Theft: A Recovery Plan" is available on the FTC website, by calling the FTC at 877-438-4338, or it can be picked up at any DSB location.

If you are unsure of what actions to take, please call your local Dairy State Bank office or stop in for help. 



Protecting Your Personal Information

A major function of the Consumer Financial Protection Bureau (CFPB) is to protect consumers in the financial marketplace. They've outlined additional steps to take to protect your identity in their blog article, titled "Top 10 Ways to Protect Yourself in the Wake of the Equifax Data Breach."

Below is an abridged version of the article:

- **Review your credit report.** You can request a copy from annualcreditreport.com.
- **Consider a security freeze and/or a fraud alert** on your credit report. See sidebar, "Fraud Alert vs. Credit Freeze," for more details about how these work.
- **Review credit card and bank statements carefully.** Look closely for charges you did not make. Thieves sometimes take a small amount from your account and then return to take more if the small debit goes unnoticed.
- **Don't ignore bills from people you don't know** — they could be an indication that someone else has opened an account in your name.
- **Shred documents** with personal or sensitive information
- **Change your passwords** for all of your financial accounts. Use strong passwords that do not include information such as addresses or birthdays and do not use the same password for all accounts.
- **File your taxes as soon as possible.** A scammer can use your Social Security number to get your tax refund, but not if you file first. The IRS will contact you by mail; don't provide information or account numbers in response to calls or email.



To read the entire article, visit www.consumerfinance.gov and type "top 10 ways" in the search bar. ▶

Fraud Alert vs Credit Freeze

Fraud Alert

A fraud alert placed on your credit report notifies potential creditors to take extra precautions to verify your identity before extending credit.

There are three types of alerts:

1. **Initial Alert** — used when you are concerned about fraud/ID theft. This is active for 90 days.
2. **Extended Alert** — used when you are a victim of fraud/ID theft. This is active up to seven years.
3. **Active Duty Military Alert** — used when deployed in the military. This is active up to one year.

Fraud alerts can be removed at any time. You need only notify one credit bureau to place an alert, they will notify the other two bureaus.

Credit freeze

A credit freeze placed on your credit report enables the credit bureaus to control who gets access to your credit information in response to a credit application. For example, applying for a loan, credit card or even a new cell phone plan all require access to your credit report to complete the transaction. A freeze prevents lenders and others from accessing your credit information.

Sometimes referred to as a security freeze, a credit freeze remains on your credit report until you remove it. If you are planning to look for credit, you will need to unfreeze your credit report before applying.

Credit bureaus do not automatically share credit freeze information with each other, so you will need to contact all three credit bureaus if you wish to freeze your file with them.

Just for Business

Positive Pay — Check Fraud Detection for Businesses

Today's business owners continually struggle with the threat of fraud and the financial losses that go along with it. If check fraud is a concern for your business, **Dairy State Bank offers Positive Pay, a service designed to help protect against check fraud.**

With Positive Pay, you can better monitor and detect unusual or fraudulent check activity on your business accounts.

Here's how Positive Pay works

Available through DSB's Online Banking, your company can securely send a file of the checks you have issued. The file is then compared to the checks coming to the bank for payment. Business customers are notified daily of any exceptions or discrepancies and can access their Online Banking account to remedy the exception.

As the production of fraudulent checks becomes easier, **your business needs advanced risk monitoring tools.** Gain increased control over the payment of your checks.

Contact a customer service representative at Dairy State Bank about Positive Pay for your business. ➤



New FTC Website Helps Protect Small Businesses

Running a business can be challenging. To help ensure the nation's small business owners have the support they need when faced with financial scams, the Federal Trade Commission has launched a new website — www.ftc.gov/SmallBusiness.

Helping you avoid scams and cyberattacks

The site features articles, videos and other information to help small business owners avoid scams and protect their computers and networks from cyberattacks and other threats.

According to the U.S. Small Business Administration (SBA), there are more than 28 million small businesses nationwide, employing nearly 57 million people. **Scammers frequently target small businesses with deceptive tactics** designed to get them to pay for supplies they didn't order, donate to fake charities or trick them into giving access to their network or downloading malware that can corrupt their business's computers.

Cyberattacks can be particularly devastating to small businesses, and many small businesses lack the resources that larger companies have to devote to cybersecurity.

Guide shares computer security basics and more

The FTC's new web page offers specific information to help small businesses protect their networks and customer data. A new Small Business Computer Security Basics guide shares computer security basics to help companies protect their files and devices, **train employees to think twice before sharing the business's account information**, and keep their wireless network protected, as well as how to respond to a data breach. It also has information on other cyber threats such as ransomware and phishing schemes targeting small businesses. ➤

Protect Your Business Debit Card with CardValet

CardValet is a free mobile app that helps protect your business debit card from fraud, provides controls on your employee spending and so much more.

Download the app from Google Play or the App Store.

Watch our CardValet video on our website for full details and to learn how easy it is to use. ➤

Rewarding Experiences

If you're 55 or better, consider joining our Rewards Checking Club program. In addition to free checks, no minimum balance and no fees, the program includes opportunities for travel and special events.

Planning with you in mind

Our goal with the Rewards Club is to offer a variety of outings and events to appeal to all of our Rewards Checking customers. This past year, we took day trips to Plymouth Playhouse, the Minnesota State Fair and the Fireside Dinner Theatre.

Our traditional appreciation picnics in the summer were well attended, with Menomonie's Rich Schroeder as our vocalist. While our Menomonie area customers are accustomed to attending a holiday luncheon, this was a new offering in our northern region and was very much welcomed.

Guess where we're going next

Our annual Mystery Trip was a hit, as usual. We didn't travel too far — just over the border to Minnesota — but we saw lots of new and interesting sights. Of course, the mystery of not knowing our destinations was half the fun!

For 2018, we are tentatively planning this trip to occur in June, so watch for more information to come.



Several Rewards Club members enjoyed a 7-day tour of the New England and Cape Cod areas in October.

Movie Day continues

We also tried some new things in 2017, like Movie Day. Movie Day allowed customers to watch a cinema movie in either Rice Lake or Menomonie free of charge. The theaters were opened just for us! Movie Day was successful and we plan to bring it back in 2018, tentatively in February.

Autumn foliage in New England

For some of our customers, the idea of taking a longer trip was new. In October, we ventured east for "Autumn Foliage in New England and Cape Cod." We flew out of the Twin Cities and into Boston, MA, where we met our tour guide from Mayflower Tours. For seven days we traveled in a luxury motor coach, experiencing the unique sites and culture of five different New England states — Massachusetts, Rhode Island, Vermont, New Hampshire and Maine. Our group of twelve thoroughly enjoyed the trip and made lasting memories.

Our new website features a Rewards Club page. As we work on our 2018 schedule, check the website for an updated schedule of events and watch your mail for the Rewards Club newsletter. If you have any questions or want to suggest events or destinations, please contact Sarha at 715-234-9181 or rewardsclub@dairystatebank.com.

Employee News

Since our last newsletter, we have bid farewell to several employees as they retired.

Congratulations to these retirees

Diane Hoffman
Customer Service
Turtle Lake
20 years of service

Karen Schutts
Customer Service/Teller
Downsville
13 years of service

Kristine Longmire
Teller
Rice Lake
4 years of service

Join us in wishing these valued employees the best in their retirements. ▶

Looking for Holiday Gift Ideas?

Dairy State Bank's gift card is the perfect gift for everyone, especially that hard-to-buy-for relative or friend.

The card is easy to purchase and can be used anywhere VISA is accepted.

Visit any Dairy State Bank location to purchase a gift card for any occasion. ▶



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CEO's Message *(continued)*

resources in this newsletter (pages 4 & 5) providing information on steps to take to mitigate the risk of this exposure. If you have additional questions, give us a call and we will do our best to help.

A sad good-bye

On a sad note, we said good-bye to Dairy State Bank's past president, Al Cronk, who passed away in October. Al was named CEO of the bank in the 1980s when there were some challenges in our organization. When the board approached Al about taking the position of president, his response was, "I would sure like a shot at it."

Al took that shot and put it right in the bullseye until he retired at the end of 2003. The Dairy State Bank we have today was influenced in a big way by Al's leadership. From all of us at Dairy State Bank, thank you, Al, for all that you did.

Shop local this holiday season

The holiday season is upon us and I encourage you to support local business as you consider holiday purchases and events. Our communities stay healthy and strong when we support each other, and when we spend our money locally it provides support in so many ways.

Finally, thank you for allowing Dairy State Bank the privilege to assist with your financial needs. We value every one of our relationships and look forward to serving you for years to come. Best wishes for a healthy and successful 2018. ▶



Holiday Hours

Monday, December 25
Christmas Day
CLOSED

Monday, January 1
New Year's Day
CLOSED