



# Notes of Interest

## Look for Opportunities

By Mike Bock, CEO

Welcome to 2018. Just before last year ended, a new tax act was passed. Some people are still trying to figure out what this act means for the future. I am not going to guess at where we're headed, but stock market activity, so far in 2018, has included some ups and downs, along with continued discussion of future interest rate increases. This may be a year to pay attention and look for opportunities. **Market volatility brings uncertainty, but it can bring opportunity.** Keep looking for opportunity.

## Be on the lookout for people trying to get your money

Speaking of looking — look out for people trying to get your money. In January, we had a rash of unusual situations come through the bank, ranging from a person being scammed through a relationship that developed over the internet, to someone whose personal checks were stolen, forged and then cashed, to a business that had an insider doing inappropriate things with the business' money. Also, see the "Bank Mailings — For Your Benefit" article on page 4 for more about account security.

## Tax time is a great time to plan the year ahead

As you gather your financial information to complete your 2017 taxes, think about the year ahead and what you may want to do related to your finances.

In thinking long-term, consider IRA or retirement plan contributions. Or, how about starting an account to save for the education of your children? These are usually large financial

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# Reduce the Generation Gap in Your Family's Finances

Many families cite saving for children's or grandchildren's education as one of their top financial goals. If you are among this group, you may want to consider a 529 college savings plan or a Uniform Gifts (or Transfers) to Minors Act account (UGMA or UTMA) — or some combination of these — to help you achieve your objective.

## Estate Planning Benefits

A 529 college savings plan offers several key advantages. You maintain control of the investment, the money is removed from your taxable estate and there are no annual contribution limits — although contributions in excess of \$14,000 a year (\$28,000 if a spouse joins in the gift) are generally subject to the federal gift tax. There is one exception: You may contribute five years' worth of gifts all at once, or \$70,000 per beneficiary, providing you do not provide additional gifts to the same beneficiary during the remainder of the five-year period.<sup>1</sup> Distributions for qualified education expenses are tax-free, and you may change the beneficiary to another qualified family member within certain guidelines.<sup>2</sup>

A 529 plan is designed to finance higher education, such as college or graduate school.

## A Matter of Trust

If you are comfortable having the beneficiary control the investment, you may want to consider an UGMA or UTMA account, an irrevocable trust managed for the benefit of a minor. The account legally belongs to the minor, but the trustee controls it until the minor is age 18 or 21, depending on the state where the minor



lives. Assets may be used for any purpose — including education — that benefits the minor.

You may want to review trends in college costs, your financial situation and other factors before selecting the most appropriate college planning strategy. Whatever you decide, your family is likely to benefit from one of life's greatest advantages — the gift of an education.

<sup>1</sup>If the account owner takes advantage of the five-year gift tax averaging rule and dies within five years of the funding date, the account owner's estate will receive only part of the deduction. Please consult your tax advisor.

<sup>2</sup>Withdrawals used for expenses other than qualified education expenses may be subject to a 10% additional tax on earnings, as well as federal and state income taxes.

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## New Chip-Enabled Travel Cards

Great news! Dairy State Bank Travel Cards have been upgraded with EMV chip technology. The encrypted microchip in our cards makes them more broadly accepted internationally and more secure when making purchases where this technology is available.

### What benefits do I get with a chip-based card?

A microchip embedded in the card adds a new layer of protection against fraud for purchases made at the point of sale. Information programmed into the chip is personalized for your card and each transaction generates a unique code, adding an extra safeguard against unauthorized use and counterfeiting.

### Secure chip technology

- The card, and the money on it, are replaceable if lost or stolen
- Reduces fraud resulting from lost/stolen or counterfeit cards
- Can be used in foreign countries that only accept EMV cards

### Convenient

- Universally accepted, the EMV Travel Card works the same regardless of the country you visit or the merchant's system
- Obtain currency through the MoneyPass Surcharge-Free ATM network — 25,000 locations nationwide
- You can have up to two secondary cards per account, authorizing a spouse, family member or friend to use the same account
- Spend only what you load — you can't overdraft
- Check balances online, by phone and with the mobile app

### Three ways to reload

- Add funds to the card at any Dairy State Bank location
- Visit Green Dot, MoneyGram, ReadyLink and RePower to load money online
- Set up a direct deposit to your card

## April is Community Banking Month

Each year, community banks celebrate Community Banking Month in April. It's an opportunity for them to highlight their role in the communities they serve. Being an integral part of their communities, they support and invest in many initiatives and, also, encourage their employees to act as volunteers.

### Power of Community campaign

This year, Wisconsin Bankers Association is launching the Power of Community campaign, April 16-20. Community bank employees are involved in community service projects year-round, but during the Power of Community week, community bank employees throughout the state will come together to show their collective impact and involvement in our communities.



Watch for Dairy State Bank employees wearing their Badger-red Power of Community T-shirts while volunteering in your community.

We'll be out in force in the communities where we live and work, helping local nonprofit and community organizations by volunteering our time.

Watch for details and photos on our website and social media:

- #BanksPowerWI
- facebook.com/dairystatebank
- @DairyStateBank



## Enhanced Security Changes for DSB's Online Banking

To maintain the highest standards for data security for our Online Banking customers, Dairy State Bank's Online Banking system will require the use of browsers that support TLS 1.2, as of April 9.

### What is TLS?

TLS is a security protocol used by your computer's operating system and browsers that ensures a connection is securely encrypted in order to provide privacy and data integrity.

### Browsers that use TLS 1.2 by default

Most up-to-date browsers use TLS 1.2 by default. Therefore, if you use an up-to-date browser, you do not need to take any action.

Customers using computers with older operating systems and/or browsers may not support TLS 1.2 and may not be able to access Online Banking after April 9.

### Check your browser and enable TLS 1.2

Here are steps to confirming and/or enabling TLS 1.2 using Internet Explorer 11 as the browser. Your browser settings may be slightly different.

1. From your browser menu, select "Tools" and, then, at the bottom "Internet Options."
2. Click on the "Advanced" tab.
3. Scroll down to the "Security" section.
4. Continue scrolling to the TLS boxes and confirm that "Use TLS 1.2" is checked. If not, check the box.
5. Select "OK."

## Bank Mailings — For Your Benefit

We periodically hear people say they don't want to get the various mailings from the bank — checking and savings account statements, loan payment notices, loan statements, etc.

### The best way to find problems

In most cases, we are required to provide this information because **it is the best way for you to keep track of your finances and to find things that are wrong** as soon as possible. Please use these documents to help safeguard your money.

Here are three great practices that are quick and easy to do:

- Balance your bank statement regularly
- Check your loan statements to make sure things are accurate
- Review your credit card bills, looking for charges that do not belong to you

### Report problems as soon as possible

Rules are set where **you have limited time to report problems without being held to some level of responsibility**. Please keep doing these simple things to protect your money. ➤





**Seth Sundeen – Volunteer of the Year**

## Employee Recognition

The Menomonie Area Chamber of Commerce awarded Seth Sundeen and his family the 2017 Volunteer of the Year award at their recent annual banquet. This award is presented to individuals who have dedicated their time and efforts in volunteering, while encouraging and engaging others in volunteer service. Seth, his wife Susan and their children were instrumental in making Freedom Fest, Menomonie's annual Fourth of July celebration, a huge success.

Seth is a commercial lender in our Menomonie office and has been with Dairy State Bank for more than 12 years. He volunteers his time for many committees, boards and for other events in and around the Menomonie community.

Join us in congratulating Seth and his family! 🎉

### Annual Privacy Notice

Federal law requires us to tell you annually — unless there are no changes — how we collect, share and protect your personal information.

**Our privacy policy has not changed.**

If you would like to review our policy and practices with respect to your personal information, visit [www.dairystatebank.com](http://www.dairystatebank.com) or request a free copy by calling 715-234-9181.

## Recognizing Employee Service

We recently recognized several employees who have reached milestone work anniversaries, and have said goodbye to others as they retired.

Thank you ALL for your years of dedication to DSB and our customers!

### 10 years of service

- Lynn Berg, Teller, Wheeler
- Michelle Hamilton, Customer Service, Rice Lake
- Nicole Havel, Electronic Banking Services, Rice Lake
- Darla Joncas, Loan Department, Menomonie

### 30 years of service

- Margie Haines, Administrative Assistant, Rice Lake
- Eric Thoreson, Lender, Rice Lake
- Lori Tischman, Customer Service, Menomonie

### Retirements

- Dianne Moravitz, Teller, Turtle Lake, 13 years of service
- Frances Rieckert, Teller, Rice Lake, 2 years of service

### Promotions

- Mike Britton, Loan Department, Rice Lake, Executive Vice President
- Jim Lockie, Loan Department, Menomonie, Vice President
- Bruce Hatlan, Information Technology, Assistant Vice President
- Megan Janz, Human Resources, Assistant Vice President

*Congratulations!*



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## CEO's Message *(continued)*

commitments and starting to plan early will lead to better results. In thinking short-term, if you are planning a home purchase or remodeling project, consider getting started now. While rates are still relatively low, they have increased from what we have been accustomed to the last six to eight years.

Certificate of deposit rates are starting to move up so it may be time to consider that option again.

If you have questions in any of these areas, stop in and visit with our employees. While we don't know where stock markets or interest rates may go, we can generally provide options for you to consider.

Thank you for allowing Dairy State Bank the privilege of helping with your financial needs. Have a successful and prosperous 2018. ➤

## Just for Business

### New Account Changes Starting May 11 — Beneficial Ownership Information

Starting May 11, when you open a new business loan or deposit account, or make changes to an existing account, Dairy State Bank is required to obtain identifying information for beneficial owners.

The new federal Bank Secrecy Act rule requires banks to identify individuals who own 25 percent or more of the interest in the business. Additionally, we must identify the individual who has significant responsibility to control, manage or direct the legal entity, such as the CEO, president, controller, treasurer, etc.

Please contact a customer service representative if you have any questions concerning these updates. ➤



## Free Mobile Banking Apps

Dairy State Bank offers a full suite of mobile banking apps — for personal and business accounts. Our free mobile banking apps are available for iPhone, iPad and Android phones and tablets. Go to your device's app store and download today. Our apps are free, but standard wireless carrier rates and fees may apply. ➤

