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FDIC Coverage - How to Protect Your Assets, COLAs, Retiree Jobs Update

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FEATURING:

- **FDIC Coverage** - How to Protect Your Assets.
- **COLA's** - Heading for the Stratosphere
- **Retiree Job Opportunities** - Jobs in Media

FDIC Coverage - With the recent IndyMac bank failure, and possibly more to come, retirees are understandably worried about their bank deposits and Federal Deposit Insurance Coverage (FDIC). All of the major news networks covered this subject recently and I believe much of that coverage was misleading and left viewers ill advised about the scope of their FDIC coverage.

Most understand that FDIC insured banks cover up to \$100,000 that you have deposited in checking, savings, and NOW accounts, certificates of deposit (CDs), money market deposit bank accounts, and \$250,000 in IRA retirement accounts in any one bank per depositor. What most don't realize is that FDIC insurance coverage expands substantially above the \$100,000 limit for special kinds of accounts or ownership categories. The key to expanding your coverage in one bank is to register your accounts differently and by establishing [formal or informal revocable trust](#) account designations when appropriate. Designating bank accounts (ITF) In Trust for or (POD) Pay on Death also allows you to avoid probate when settling an estate. You can also open accounts in other banks and receive the same FDIC protection. For example, if you have \$100,000 each in two different FDIC insured banks you are covered for up to \$200,000 if both banks fail.

The FDIC guide located online at <http://www.fdic.gov/deposit/deposits/insured/yid.pdf> shows an example of POD accounts with multiple owners and beneficiaries on page 13 that provides \$1,000,000 in FDIC coverage at one bank.

One news report stated that the FDIC doesn't cover safe deposit box contents and that is correct. The FDIC only covers deposit accounts. However, they failed to explain that in the event of a bank failure, in most cases an acquiring institution would take over the failed bank's offices, including locations with safe deposit boxes. If no acquirer can be found the FDIC would send boxholders instructions for removing the contents of their boxes. The FDIC advises safety box holders to read the contract you signed with the

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bank when you rented the safe deposit box in the event that some type of insurance is provided; some banks may make a very limited payment if the box or contents are damaged or destroyed, depending on the circumstances. If you are concerned about the safety, or replacement, of items you have put in a safe deposit box, you may wish to consider purchasing fire and theft insurance. Usually such insurance is part of a homeowner's or tenant's insurance policy for a residence and its contents. Again, consult your insurance agent for more information.

Use the following checklist and resources to confirm your banks coverage and to calculate your actual FDIC coverage at each bank that you have funds deposited. I used all of these resources recently and found them to be easy to use and very helpful. The EDIE Calculator allows you to enter all of your account information and registrations to show you exactly what is and isn't covered at your bank. A great tool.

The FDIC does **NOT** insure stocks, bank brokerage accounts, mutual funds including mutual fund money market accounts or other non-deposit investments. The FDIC only covers the deposit accounts listed earlier in this article. However, the Securities Investors Protection Corporation (SIPC), a non government entity, replaces missing stocks and other securities in customer accounts held by its members up to \$500,000, including up to \$100,000 in cash, if a member brokerage or bank brokerage subsidiary fails. For more information contact www.SIPC.org.

FDIC Check List:

- Determine if your bank is FDIC insured: Go to [Bank Find](#)
- Use the [EDIE Calculator](#) to determine your total FDIC coverage
- Read the [FDIC Guide](#) for complete information
- Research [ITF and POD account designations](#) to expand coverage
- If your deposits exceed your coverage at one bank open accounts at other FDIC insured banks. Each bank is insured separately
- For non-deposit investment accounts such as brokerage accounts contact www.SIPC.org.

COLA Update - The 2009 Cost-of-Living Adjustment (COLA) for federal retirees could possibly exceed 6%. The CPI adjustment through June is 5.7% and we still have three months to go. If inflation goes down, which I doubt, that could change things. This COLA could be the largest since 1982 when retirees received an 8.7 percent increase. My annuity has increase just over 10% since I retired January 1, 2005. For more information on COLAs read my July column.

Federal Retiree Job Opportunities - I recently discovered an excellent resource for federal retirees to locate media jobs. Many feds retire at 55 or younger today and often

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seek part time or full time employment to supplement their income or to explore other venues of interest. Yes, even Uncle Sam has media specialists of all types including public affairs, technical writers, audiovisual production, theater and arts, editors, and writers in general. Plus many federal managers and specialists are often called upon to write detailed reports and proposals and edit others work. If you are looking for exciting new opportunities in media visit <http://mediabistro.com> and explore their job listings for full time, part time and freelance positions. I recently interviewed Laurel Touby, the founder and CEO of Mediabistro.com, for an article I'm writing for Publisher's Marketing Association. This site is an excellent match for many retired feds looking for the rewards and challenges of working in media with the private sector. Lots of very interesting job opportunities to explore. I added this site to our [jobs board](#) on <http://federalretirement.net>.

Visit our other informative sites

<http://federaljobs.net> (Federal Career & Job Center)

<http://federalretirement.net> (FREE Retirement Planning Guide)

<http://fedcareer.info> (Career Development Center)

<http://healthcarejobs.org> (Health Care Career & Jobs Center)

<http://postofficejobs.info> (Postal Career Center)

<http://ehsjobs.org> (Environmental Health & Safety Job Center)

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