

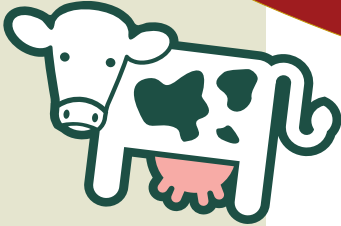


Customer & Community CONNECTION

fmub.bank | facebook.com/FMUBank

— MAY 2018 —

Join us for Dairy Treat Day on June 8



Please join us on Friday, June 8 as we celebrate June Dairy Month with free milk! Visit any one of our six bank locations and enjoy free Sassy Cow white or chocolate milk. We support local Ag and Dairy industries -- please join us!

Need a Loan?

Speak to one of our Loan Officers:

Susie - Mortgage (920) 623-7107
NMLS ID#466026

Doug - Agriculture (920) 623-7104

Greg - Ag/Commercial (920) 623-7115
NMLS ID#757536

Mike - Ag/Commercial (920) 623-7102

Dave - Consumer (920) 623-7106

Matt - Commercial (920) 623-7108
NMLS ID#466028

Sheila - (Friesland) (920) 348-5141
NMLS ID#466030

Matt - (Juneau) (920) 623-7108
NMLS ID#466028

Downtown Columbus
159 W. James St. | (920) 623-4000
Columbus Branch
104 Industrial Dr. | (920) 623-7101
Fall River Office
637 S. Main | (920) 484-6505
Friesland Office
114 W. Winnebago | (920) 348-5141
Juneau Office
405 Jewel St. | (920) 386-2100
Rio Office
575 S. Lowville Rd. | (920) 992-6100

Member FDIC

Shred Event on June 16

FMUB will be hosting a Shred Event on Saturday, June 16 from 9 am to 11 am at our Columbus Main location downtown parking lot. There is no cost to customers, however, we will be collecting donations for the Columbus Food Pantry (monetary donations, non-perishable food donations and personal hygiene items.)

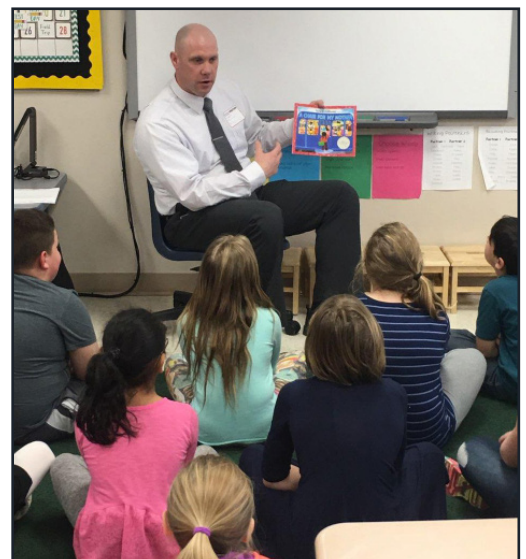
Gift Cards for \$0 Purchase Fee

Gift cards are available at all FMUB locations for \$0 Purchase Fee May 1 through June 30. This is the Spring gift giving season — think Mother's Day, Father's Day, Graduation and Weddings. Many gift card designs are available. Stop by and pick a few up today!

Our website is getting a new look!

We are working on redesigning our website! You will see the new look in mid-to-late June. The new site will be easier to access on mobile devices and it will have a fresh, modern look. Our website address of www.fmub.bank will remain the same. Stay tuned!

Our loan team doesn't just sit behind a desk. They are often out in the field (sometimes literally!) Pictured below: Doug Lambert (far left) and Greg LeCaptain working at the Dodge County Meat Animal Sale Trivia Night. Mike Hemling (right) was one of several FMUB team members to read to students at Dodgeland Elementary School as part of FMUB's financial literacy efforts.





Farmers & Merchants Financial Services

fm-financialservices.com

2018 Tax Planning - don't wait!

Every year I typically spend the first weekend in April doing my taxes. This year I contemplated how to deal with the Tax Reform Act of 2017 (2017 TRA) that limits the State and Local Taxes (SALT) Schedule A deduction to \$10,000.

How do you plan to deal with the TRA?

Two things come to mind:

- 1) get information on the impact of the TRA for your personal situation from your tax accountant, and
- 2) based on that information, determine the impact, positive or negative, on your respective projected 2018 tax return.

WHAT TO TAKE NOTE OF

There are several major aspects of the 2017 TRA that impact individuals in addition to the SALT cap, including (but not limited to):

- Reduced tax rates
- Elimination of the personal exemption
- Doubling of the standard deduction for itemization
- Increasing the Child Tax Credit
- Revision of the "Kiddie Tax Rates"
- 529 Plan application expansion
- Increasing the cost of divorce

The State of Wisconsin is #8 on the list of Top 10 Highest Income Tax States with an effective tax rate of 7.65%, according to the Federation of Tax Administrators. The State of Wisconsin is #5 on the list of the Top 10 Highest Property Tax States, with an effective tax rate of 1.95%, according to WalletHub.

Given that both my wife and I work, and we live in one of the highest property tax areas of the state, we need to take all this into consideration. So what am I going to do about my SALT Cap challenge?

THERE IS STILL TIME

The good thing is that we have time between now and the end of the year to take action. As either selling our home or not paying income or property taxes aren't options, some of the potential courses that we can take include, but are not limited to:

- Increasing our respective 401(k) contributions
- Increasing our Federal Tax withholding from our paychecks (i.e., reducing the number of exemptions we claim)
- Contributing to a Traditional IRA (For 2018 – up to \$5,500 for those under 50 years old; \$6,500 for those over 50 years old, subject to deduction phase outs for active participants)



**Matt Hughey, LPL Financial Advisor,
is also a licensed CPA with the
State of Wisconsin.**

- Exploring other legal tax planning solutions that would lower our adjusted gross income and/or our taxable income
- A combination of the above

Bottom line – I need to do some very serious thinking about our 2018 tax situation now and take proactive steps to ensure we are not in an adverse situation come January 1, 2019. One of the last things I want to do in this summer is think about income taxes. But the train is coming down the tracks and it will not stop.

Engage your tax accountant or financial advisor in 2018 tax planning now. Waiting until December will be too late.

Matt Hughey and LPL Financial do not provide tax advice or services. Please consult your tax advisor regarding your specific situation.

Not FDIC Insured	No Bank Guarantee	May Lose Value
Not a Deposit	Not Insured By Any Federal Government Agency	