



What is a Tiered-Rate Account?

A Tiered-Rate Account is an account that pays one or more dividend rates, depending on the balance in your account. A Tiered-Rate Account can be a savings account, money market account, or even a dividend-bearing checking account.

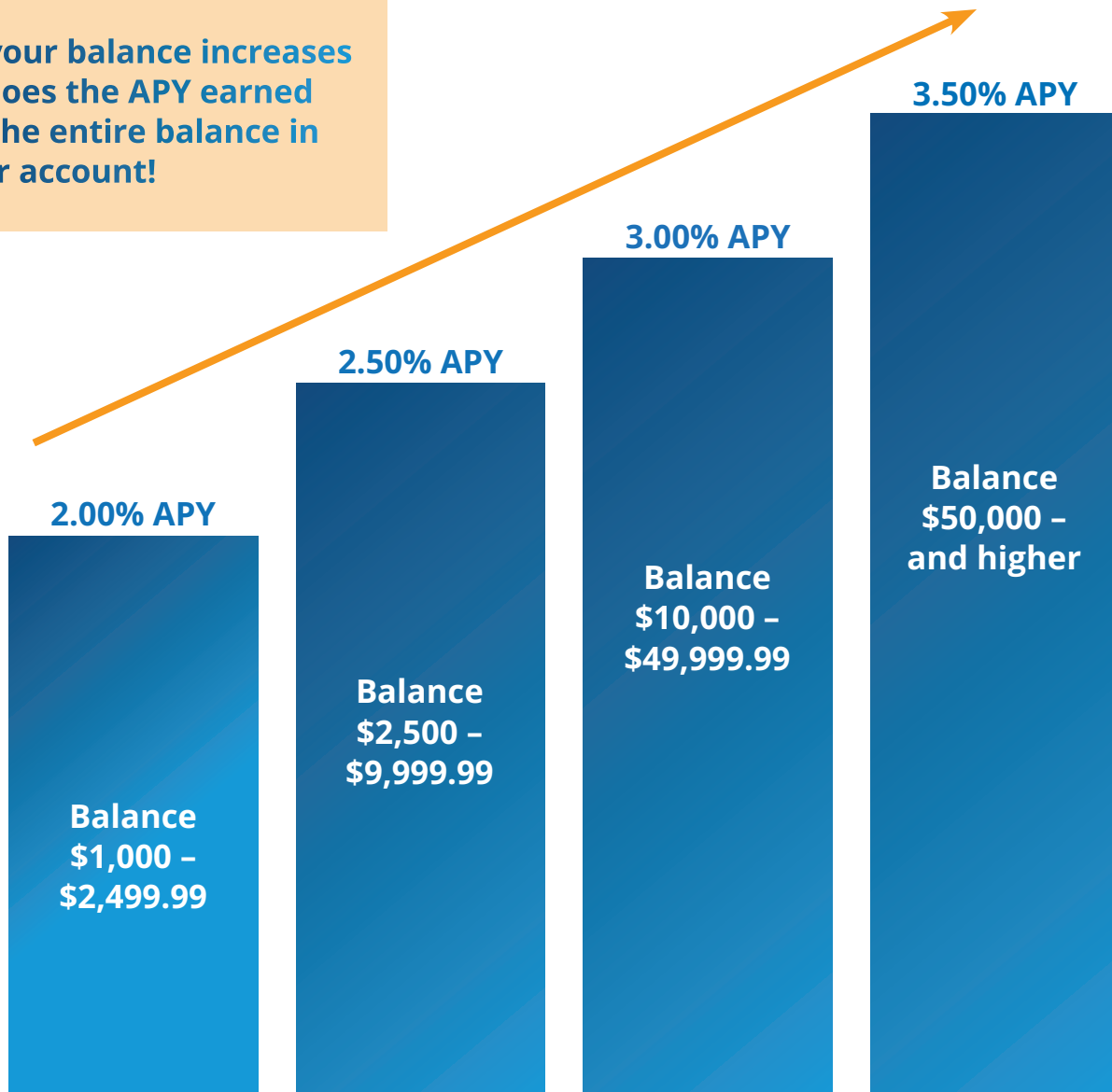
There are two ways a credit union might calculate the dividends members earn on Tiered Rate Accounts. We will refer to these calculation methods as **Method A** and **Method B** below.

Always check your account disclosures to determine if your account is a Tiered Rate Account and look for important information on how to qualify for each rate tier. Review the examples below to learn more!

Method A:

Under this method, a credit union pays the stated dividend rate and Annual Percentage Yield (APY) that corresponds to the applicable share balance tier, on the full balance in the account.

As your balance increases
so does the APY earned
on the entire balance in
your account!



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Method B:

Under this method, dividends are paid at the stated dividend rate and Annual Percentage Yield (APY) only on the portion of the balance within the specified balance tier. **Depending on your balance, you may earn multiple dividend rates, all of which are blended to determine the APY on the entire balance. The APY is dependent upon the balance in each tier, so it is disclosed as a range.**

Balance	Dividend Rate	APY
\$0.01 to \$1,000	6.785%	7.00%
\$1,000.01 and Higher	0.25%	0.25 to 7.00%

Account #1

Total Account Balance = \$1,000

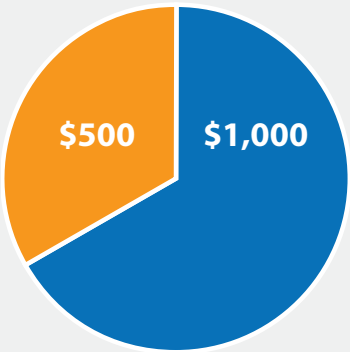


- Tier 1: 6.785% Dividend Rate (7.00% APY)
- Tier 2: 0.25% Dividend Rate (0.25% APY)

- One Month's Dividend.....\$5.58
 - \$5.58 earned on \$1,000 at dividend rate 6.785%
- APY7.00%

Account #2

Total Account Balance = \$1,500

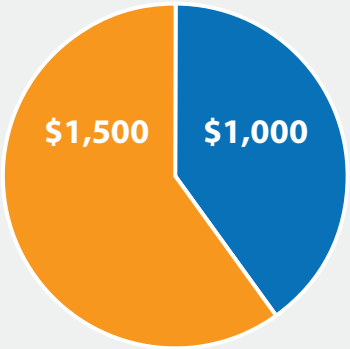


- Tier 1: 6.785% Dividend Rate (7.00% APY)
- Tier 2: 0.25% Dividend Rate (0.25% APY)

- One Month's Dividend.....\$5.68
 - \$5.58 earned on \$1,000 at dividend rate 6.785%
 - \$0.10 earned on \$500 at dividend rate 0.25%
- APY4.71%

Account #3

Total Account Balance = \$2,500



- Tier 1: 6.785% Dividend Rate (7.00% APY)
- Tier 2: 0.25% Dividend Rate (0.25% APY)

- One Month's Dividend.....\$5.89
 - \$5.58 earned on \$1,000 at dividend rate 6.785%
 - \$0.31 earned on \$1,500 at dividend rate 0.25%
- APY2.90%