



South Florida Educational Federal Credit Union

401(k)

A tax-deferred savings and investment plan in which employees may choose to contribute up to a certain amount. Employers often match a percentage of an employee's contributions.

529 Plans

A tax-advantaged investment vehicle designed to encourage saving for the future higher education expenses of a designated beneficiary.

Annuity

A monthly cash payment a person receives from an insurance company for the rest of his or her life.

Assets

A resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit.

Beneficiary

The person who receives the benefits of a trust or the recipient of the proceeds of a life insurance policy.

Bond

An investment vehicle that represents a loan to a corporation, government or municipality. These generally pay a fixed interest rate and return the principal investment at maturity.

Conservator

A person appointed by the court to manage legal matters for someone who is unable to do so themselves.

Coverdell Education Savings Accounts

A tax-deferred trust account created by the U.S. government to assist families in funding educational expenses for beneficiaries 18 years old or younger.

Debt Instruments

Assets that require a fixed payment to the holder, usually with interest.

Distribution

The removal of assets from a retirement account; assets are then paid to the account owner or beneficiary.

Diversification

Reducing non-systematic risk by investing in a variety of assets.

Education Tax Credits

A type of tax credit available to those who incur qualifying educational expenses, such as tuition and fees, for a post-secondary educational institution, such as a college or university.

Estate

All assets, money, and real and personal property in the name of a deceased person.

Estate Plan

Comprehensive plan for the orderly handling, disposition and administration of assets left after an individual's death.

Executor

The court-appointed individual responsible for the management of a deceased person's estate.



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Federal Employees Retirement Systems (FERS)

A system that became effective in 1987 and replaced the Civil Service Retirement System (CSRS) as the primary retirement plan for U.S. federal civilian employees.

Financial Advisor

An investment professional that helps individuals set and achieve their long-term financial goals through investments, asset allocation, risk management, retirement planning and estate planning.

Individual Retirement Account (IRA)

A personal retirement account opened by an individual with earned income or whose spouse has earned income; component of the overall Individual Retirement Arrangement.

Inflation

Rate at which prices for goods and services rise and, consequently, purchasing power is falling.

Insurance

A contract or policy in which an individual receives financial protection or reimbursement against losses from an insurance company.

Investment

The purchase of real property, stocks, bonds, collectible annuities, mutual fund shares, etc., with the expectation of realizing income and/or capital gain in the future.

Managed Account

An investment account that is owned by an individual investor and looked after by a hired professional money manager.

Mutual Fund

An investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets; operated by money managers.

Pension

A fund set up and invested by an employer or union to provide income for workers when they retire. Government and military employees often collect pensions.

Portfolio

A grouping of financial assets such as stocks, bonds and cash equivalents, as well as their mutual, exchange-traded and closed-fund counterparts; held directly by investors and/or managed by financial professionals.

Risk

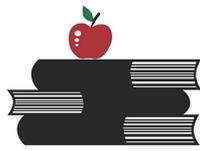
The chance that an investment's actual return will be different than expected and includes the possibility of losing some or all of the original investment.

Rollover

Moving assets from one qualified plan to another or to an IRA within 60 days of distributions, while retaining the tax benefits of a qualified plan.

Security

An investment instrument, other than an insurance policy or fixed annuity, issued by a corporation, government, credit union or other organization, that offers evidence of debt or equity (e.g., stocks, bonds, mortgage-backed securities).



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Social Security

A federal government program of social insurance and benefits, including retirement income, disability income, Medicare and Medicaid, and death and survivorship benefits.

Stock

Share of ownership in a company, traded on one or more exchanges.

Tax-Advantaged

Any investment, account or plan that is tax-exempt, is tax deferred or offers other tax benefits.

Tax Deferral

Taxes are not due on the account's earnings (and in some cases, contributions made to the account) until they're withdrawn.

Thrift Savings Plan (TSP)

Employer-sponsored retirement plan for federal employees and servicemembers. Employees contribute a portion of their pay, which is matched by the employers.

Trust

Agreement in which assets are transferred from a grantor to a trustee for the purpose of benefiting one or more beneficiaries.

Trustee

The person or institution that oversees and manages a trust.