April, 2014

Bank Notes

Your April edition of Bank Notes is here!

Department Spotlight: Customer Service Department

Front row, left to right: Cathy Umbarger, Hazel Brown, Marla Stockov, Joanna Carter. Back row, left to right: Donna Branchfield, Linda Sill, Wendy Mayall.

HISTORY OF THE CUSTOMER SERVICE DEPARTMENT:

The Customer Service Department has been around since the bank first opened in 1933. It was formerly known as the bookkeeping department. At some point, the department name was updated to "Customer Service" to reflect the real reason we are here...to provide service to our customers.

OVERVIEW OF STAFF

- Hazel Brown has worked at MNB 40 years, with experience in most areas of the bank.
- Donna Branchfield has worked at MNB 5 years, and has a total of 7 years of banking experience in the bookkeeping/customer service area. She has over 20 years' experience in the accounting field.
- Joanna Carter has worked at MNB 4 years, all in the customer service department.

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Bank Easy at MNB

We're offering you even more reasons to bank with us.

* Redesigned website
* Online mortgage applications
* Free checking (with online statements)
* Free online banking & bill pay
* Mobile banking app
* Mobile check deposit
* Convenient ATM locations

- Wendy Mayall has worked at MNB less than a year, but has over 25 years' experience in the customer service industry, working at several retail merchants.
- Linda Sill has worked at MNB 14 years, with experience in the teller area, item processing, HR, and customer service. She has a total of 24 years of banking experience.
- Cathy Umbarger has worked at MNB 20 years, working in the customer service department the entire time.
- Marla Stockov has worked at MNB 18 years in the customer service area. She has a total of 26 years of banking experience, in most areas except trust.

GOALS FOR THE FUTURE

To keep up-to-date with technology and to continue to provide the great customer service our customers expect.

WHAT IS THE CUSTOMER SERVICE DEPARTMENT RESPONSIBLE FOR AND WHY IS IT IMPORTANT TO THE BANK?

- Checking accounts - verify new account input, input any changes, process overdrafts, process returns, process unposted items, verify stop/holds
- Savings accounts - verify new account input, input any changes, process unposted items, verify teller alerts
- Certificates of Deposit - verify new account input, input any changes, data entry for closed accounts, process interest checks
- IRA's - verify new account input, input any changes
- Internet banking - set up new and provide continuing support
- ATM cards & checkcards - input new and provide continuing support
- Process address changes
- Process general ledger
- Balance all deposit applications
- Balance correspondent bank accounts
- Balance internal checking accounts (account recon)
- Safe deposit - input new and closed
- Provide customer support over the phone and in person
- Help customers balance their checkbook, etc.
- Provide support to other departments/branches

Basically, any product or service that is related to a checking account, a savings account, a certificate of deposit, an individual retirement account, or a safe deposit box is processed through the Customer Service Department. The Customer Service Department is a very vital part of the bank because of all the products and services they support.

SIGNIFICANT ACHIEVEMENTS

Over the past 10 years or so, there have been many advances in technology, which gives MNB the opportunity to offer new products and services to make the customers' banking experience more convenient. A great deal of work is involved behind the scenes in the Customer Service Department to get these new products and services ready to release to our customers. Once a new product or service is released, the Customer Service Department provides training and continued support to customers and staff. Some of the most popular services offered are online banking, online statements and mobile banking. Online banking offers customers access to their accounts 24/7. Now with mobile banking, customers can even deposit checks using their smartphone or iPad tablet. As technology continues to evolve, the Customer Service Department staff must adjust to the ever-changing processes.

MidAmerica National Bank
Established 1933 Member F.D.I.C.

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FUN FACT

We like to refer to the Customer Service Department as "the brains of the operation," and have even had customers agree!

CONTACT US

You can reach the Customer Service Department during regular banking hours at (309) 647-5000, toll free at (877) 647-5050, or via email at online@midnatbank.com.

Community Shred Day

Saturday, June 7, 2014
9:00 am - Noon
Canton: MNB Parking Lot (100 W. Elm St.)
Macomb: Spoon River College Community Outreach Center Parking Lot (2500 E. Jackson St.)

You're invited to our Community Shred Day! Your papers will be shredded and recycled - free of charge! It's a great opportunity to "go green" and protect yourself from identity theft at the same time! Examples of what you can bring are old bills, tax records, bank & brokerage statements, credit card statements, credit card applications, junk mail, medical bills & records, and confidential personal records. Pack up your old papers and we'll see you there!

No businesses, please. Event may end earlier if shred truck fills up before noon. Secure shredding and recycling provided by Confidential Security Corp.

Click here to see more information about this year's Community Shred Day!

TRUST & WEALTH MANAGEMENT

When Estate Planning Becomes Basis Planning

Old conventional wisdom: Minimize estate and/or inheritance taxes by making lifetime transfers and taking appropriate steps to reduce the taxable value of transfers. New conventional wisdom for many "smaller" estates: Avoid lifetime transfers, especially of appreciated assets, and maximize asset values at death.

Under the old tax regime, with a 40% federal estate tax and a 15% maximum capital gains tax for heirs, the tax-wise choice was pretty easy. Give assets away during life, even though the donor's tax basis carries forward to the donee, because 15% of the taxable gain is going to be a much smaller tax bite than 40% of the gross value. Now, however, that calculus goes the other way. With a federal estate tax exemption of $5.34 million this year ($10.68 million for married couples), 99.8% of estates will no longer need to worry about paying any estate tax at all. For these estates, the tax benefit to zero in on is the step-up in basis at death. Basis step-up is even more valuable now that the top tax rate on long-term capital gains is 20%, plus an

additional 3.8% net investment income tax from the Affordable Care Act.

Example. Grandfather's investment portfolio is worth $4 million, with a tax basis of $1 million. He plans to divide the portfolio among four grandchildren. If he makes a lifetime gift of the securities, and assuming that the basis is divided equally, each grandchild will have to plan for taxes on $750,000 worth of gains. If Grandfather holds the assets until his death, the tax on the $3 million capital gain is forgiven under IRC §1014(a), at zero estate tax cost.

Spousal transfers

A somewhat obscure section was added to the tax code with the Economic Recovery Tax Act of 1981. That was the legislation that removed the percentage and dollar limits on the marital deduction. Apparently, Congress was worried about the possibility of transfers to dying spouses so as to obtain a basis step-up without having to pay an estate tax. Although the law is 33 years old, there have been no Regulations, Revenue Rulings or Revenue Procedures explaining its application.

If an appreciated asset is given to a spouse, the spouse dies within a year, and the asset is reacquired by a surviving spouse, there is no basis step-up under this provision. The rarity of this sequence of events may account for the lack of IRS guidance. However, the provision also applies to indirect reacquisitions. If the deceased spouse's estate or a trust sells the asset, and the donor spouse is entitled to the sales proceeds or a portion of the proceeds, to that extent there is no basis step-up.

Recordkeeping

In order to secure the income tax benefits of basis step-ups, executors or personal representatives of estates will need to document very clearly the value of all assets at the date of the decedent's death. Appraisals will be needed for nonmarketable assets. This should be done as soon as possible, rather than waiting until a later sale.

Note also that there is no statute of limitations for tax basis, so basis records must be kept indefinitely. If an inherited asset is sold 20 years after it is received, the donee will need to refer to those decades-old records to determine gain or loss.

(April 2014)

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For more information about Trust & Wealth Management and to read other timely articles, go to our website at
https://www.midnatbank.com/investments/trust-and-wealth-management

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Remote Deposit for Businesses

Remote deposit is all about convenience! It allows your business to make bank deposits without physically visiting the bank. At your business, checks you receive are quickly and easily run through a small scanner that electronically sends images of the checks directly to MidAmerica National Bank through a secure internet connection. You can scan and send the checks as you receive them...or "batch" them and send them all at once.

The benefits of remote deposit include:

- Make bank deposits from your own desk in your own office. It's as if you have your very own bank teller!
- Increase your efficiency by eliminating driving time to and from the bank to make deposits.
- Make deposits any time of the day or night.
- It may result in faster funds availability.
- No long term contract/commitment is required.
- It's easy to use. We'll train you in minutes and you'll be on your way to even more convenient banking!

For more information or to get started, contact Kevin Stephenson, Business

Development Officer, at (309) 647-5000 in the office, (309) 338-2527 on his cell, or you can email him at kstephenson@midnatbank.com.

Click here to view a flyer and read frequently asked questions.

New Hours to Better Serve You!

Our main Canton banking center at 100 West Elm Street will have extended hours for customer convenience starting Saturday, April 12th. The lobby will be open Monday through Friday from 8:30 am - 5:00 pm and on Saturday from 8:30 am - 1:00 pm. Drive-up hours will be Monday through Thursday 8:30 am - 5:00 pm; Friday from 8:30 am - 6:00 pm and Saturday from 8:30 am - 1:00 pm. Click here to see all of our convenient locations and hours!

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