

## Frequently Asked Questions

**Q: What kind of account is the Lucky Savers account?**

A: Lucky Savers is a prize-linked savings share certificate account that offers the chance to win prizes in addition to earning regular interest. It requires a small opening deposit of \$25 and allows unlimited number of deposits during the 12-month term, unless your credit union chooses to cap the deposits. However, in order to comply with the prize drawing rules, a maximum share balance of no less than \$3,000 may be set by your credit union.

**Q: How does the Lucky Savers account work?**

A: The goal of the Lucky Savers account is to foster a regular habit of saving among account holders. The more a member saves (up to \$250 per month); the more opportunity one has to win. For every \$25 deposit, an account holder earns one entry into the monthly and quarterly prize drawings. There is no minimum number of deposits required, but there is a maximum of 10 entries per month per member.

**Q: How can my credit union offer Lucky Savers?**

A: NYCUA has partnered with the Minnesota Credit Union Network (MnCUN) and TruLync to offer a turnkey solution. To participate, your credit union enters into an agreement and then works with us to implement and market the program to your members.

**Q: How long does implementation take?**

A: Implementation takes 4-6 weeks so credit unions that wish to be part of the annual Lucky Savers program launch on October 1st must commit by August 31st.

**Q: Are marketing materials available?**

A: Yes, credit unions may use a variety of marketing materials by visiting the Lucky Savers webpage under the SUPPORTING section of NYCUA website ([www.nycua.org](http://www.nycua.org)). The materials may be customized.

**Q: What is the credit union's cost to participate in Lucky Savers?**

A: The annual cost depends on the number of members you have. The current fee schedule (October 1, 2022-September 30, 2023) is as follows:

**Annual Contribution for Statewide Prize Pool:**

Up to 2,500 members = \$800  
2,501 – 5,000 members = \$1,400  
5,001 – 10,000 members = \$2,100  
10,001 – 25,000 members = \$2,800  
25,001 – 50,000 members = \$3,300  
50,001 – 100,000 members = \$3,600  
100,001+ members = \$4,900

**Annual Administrative Fee:** \$500

**Q: How can members sign up for a Lucky Savers account?**

A: Account holders must be a member of your credit union.

**Q: What are the requirements to open an account and win prizes?**

A: In order to participate in the raffle and be eligible to win prizes, an account must be open through the drawing period and the account holder must be 18 years old and be a member with a regular share account (the account which qualifies the individual for membership), in good standing at your credit union.

**Q: Can a member have more than one Lucky Savers account?**

A: No. Accounts are limited to one per person. Members of the same household can have one Lucky Savers account each as long as they meet other eligibility requirements.

**Q: Are credit union board members, employees and/or their family members eligible to win prizes?**

A: Credit union employees and board members are not eligible to receive state-level drawing prizes (this includes joint ownership). Employees can participate in the optional credit union staff drawing and each credit union can make their own determination about family members having Lucky Savers accounts.

**Q: How is the interest rate for the Lucky Savers account determined?**

A: Your credit union chooses the interest rate. The state law requires it be comparable to the rate offered for similar products. We recommend setting the interest rate no lower than the rate you offer for 1-year certificates of deposit.

**Q: What is the minimum balance required to be kept in the Lucky Savers account?**

A: There is a \$25 minimum balance requirement to keep the account open.

**Q: Does the account need to be kept open a certain amount of time?**

A: Yes. The Lucky Savers account needs to be kept open for 12 months. There are penalties for early withdrawal, including account closure.

**Q: Can an account holder make any withdrawals during the 12-month term?**

A: Account holders can make one withdrawal during the 12-month certificate term for a \$25 fee and must leave at least \$25 in the account to keep it open. If a second withdrawal occurs, the account will be closed.

**Q: Is there any other additional interest penalty on top of the \$25 withdrawal fee?**

A: No, unless your credit union chooses to implement a higher penalty, which would be noted in their Truth and Savings Disclosure.

**Q: Does the account need to be kept open for a certain amount of time before it's eligible to win?**

A: No. Prize entries are based on the increase in balance in the Lucky Savers account at the end of each month/quarter. Each month's/quarter's balance stands on its own in terms of eligibility for prize entries.

**Q: Is there a monthly service fee for the account, or if the balance drops below a certain amount, is there a fee?**

A: No, there are no monthly service fees for this account. Members must leave at least \$25 in the account to keep it open. If the amount drops below \$25, the account will be closed.

**Q: Can a Lucky Savers account be opened on a business or trust account?**

A: No. Lucky Savers is only available for personal accounts.

**Q: What kinds of prizes does the account offer?**

A: The Lucky Savers share certificate offers account holders the opportunity to win state-level monthly and quarterly cash prizes. Your credit union may also offer individual credit union level drawings as well. The number of prizes and the prize amounts are set by your credit union. For the current year (October 1, 2018 - September 30, 2019) the state-level prizes will be as follows:

Prizes	# of Winners	Prize Amount	Total Winners	Total Prizes	Drawing Dates
Monthly	16	\$25	192	\$4,800	15 <sup>th</sup> of each month
	8	\$50	96	\$4,800	15 <sup>th</sup> of each month
	2	\$100	24	\$2,400	15 <sup>th</sup> of each month
Quarterly	3	(1) \$500, (1) \$1,000 and (1) \$5,000	12	\$26,000	15 <sup>th</sup> of January, April, July and October
<b>Total</b>	<b>26 per month / 3 per quarter</b>	<b>n/a</b>	<b>324</b>	<b>\$38,000</b>	<b>n/a</b>

\*Note: If there is higher than anticipated credit union participation the number of prizes awarded may increase.

**Q: Can a member win a state-level prize and a credit union prize in the same month?**

A: A member is limited to winning one state-level prize and one credit union prize per prize period unless otherwise stipulated in your credit union's Official Rules. An individual member is allowed to win multiple times and in consecutive months/quarters.

**Q: How will prizes be awarded to winning members? How will winners be notified that they have won?**

A: Prize winnings will be deposited into the member regular share account. NYCUA will notify you of any winners at your credit union and you will notify your member within 14 days of month-end.

**Q: Will members be taxed on their winnings?**

A: Yes, each winner is responsible for reporting and paying applicable state and federal taxes on prizes awarded. Your credit union is required to send a 1099 form to any member who wins an amount over \$10.

**Q: How are prize entries calculated?**

A: Members will receive one (1) entry in the monthly drawing for every \$25 increase in monthly balance on deposit in the account, up to a maximum of 10 entries per member per month. Each monthly entry is also entered into the quarterly prize drawing up to 30 entries per quarter.

**Q: If a member deposits \$100, then withdraws the money within a short period of time, do they still get four chances to win prizes?**

A: No. The number of entries is based on the increase in a member's month-over-month and quarter-over-quarter balance. If a member deposits \$100 in a given month/quarter and withdraws that amount in the same month/quarter, the member will not receive any entries for that drawing period.

**Q: If the member's average monthly balance is close to the next \$25 increment, will the eligible balance be rounded up for the purpose of giving the member another chance in the drawing? For example, if the member has a monthly increase of \$49.83, will he receive one or two entries?**

A: No. There will be no rounding up. The member would receive one entry for that month's drawing.

**Q: When Lucky Savers certificates mature do they automatically roll over for a new 12-month term?**

A: Yes, accounts are set up by your credit union to automatically renew after 12 months.

**Q: Can a member withdraw all or a portion of their money from the certificate during the grace period and if so, will they be charged a withdrawal fee?**

A: Members can withdraw money from their Lucky Savers share certificate at maturity during their grace period without being assessed a penalty, as long as they leave at least \$25 in the account to keep it open. Members also have the option to withdraw all of their money and close the account at this time without being assessed a penalty fee.

**Q: If members take out money during their grace period, will they lose entries for the monthly or quarterly prize drawings?**

A: If a member withdraws more money than they deposit at maturity or anytime during the 12 month term, they will not earn entries for that drawing period. Entries are only earned when the month-over-month/quarter-over-quarter balance increases.

**Q: If a member closes their account and wants to open a new account later in the year, is there a waiting period?**

A: Your credit union may choose to impose a 6-month waiting period for members to open a new account after closure of another.

**Q: When does the members account have to be open in order for them to be eligible to receive a prize?**

A: The member's account has to be opened during the drawing period in order to be eligible to receive a prize. The monthly drawings are conducted two weeks after the conclusion of the month, so the April monthly drawing would be performed on May 15<sup>th</sup>. For a member to be eligible for an April drawing prize, they would need to have their account open through the last day in April. The same applies for the quarterly prize drawings.