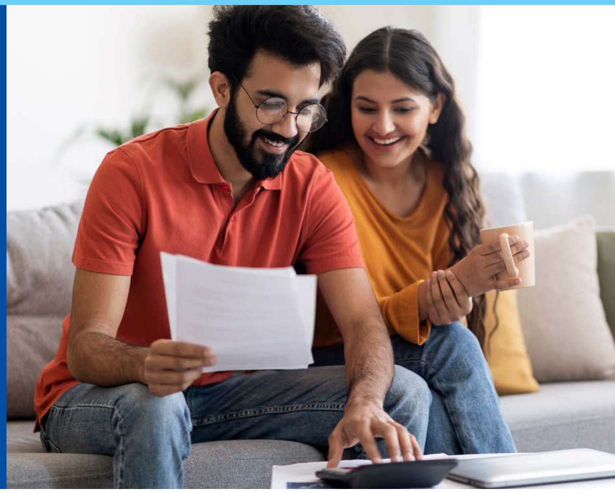
# MONEY'S WORTH

for TFCU Members | August 2025



## Maintaining credit the smart way

Credit plays a bigger role than you might think and affects more than just loans. It can influence your insurance rates, housing approvals and even job opportunities. It's possible to keep your credit active without taking on debt, as long as you're consistent. A few simple habits can help you protect your credit history and maintain long-term financial flexibility.

**Keep your credit options open.** Without active credit profiles, getting loan approval can be difficult. Even if you're not borrowing today, unplanned expenses can change your financial situation quickly. Many people use zero-interest financing to preserve savings and investments, allowing their money to continue earning while they pay over time.

**Use credit without taking on debt.** Credit-based products such as credit cards and loans are the only tools that report ongoing activity to the credit bureaus. However, loans stop reporting once they are paid off. A well-managed credit card is often a better long-term solution for keeping your credit active.

**Build smart credit habits.** Consider using a credit card to pay a small, predictable monthly expense, like a streaming subscription. Keep your balance under 30% of your limit, but under 10% is best. Make payments after your statement generates and always pay the full balance on time. Choose a card with no annual fee to keep the process cost-free.

**Avoid closing your oldest accounts.** Using a credit card is important, but so is keeping accounts open. If you need to reduce the number of cards you have, do it gradually and keep your oldest account open to protect your credit history. If you share finances with a partner, make sure you each maintain individual credit to avoid complications if life circumstances change.

Maintaining credit doesn't have to be complicated. With a few intentional habits, you can keep your credit history strong, preserve financial flexibility and be prepared for whatever comes next. ■

Article by Tina Herndon
TFCU Financial Educator

## TFCU events

### Drop-in financial coaching: August 1, 2025

Capitol Hill branch, 2315 S. Western Ave. |
9 a.m. - 5 p.m.
Meet TFCU's Member Solutions team for free, one-on-one financial counseling sessions.

### Shred Day: August 2, 2025

Shawnee branch, 3923 N. Harrison St. |
8:30 - 11:30 a.m.
Limit the amount of paper to no more than three boxes (approximately 18x12x12 inches) per car.

### Shred Day: August 16, 2025

OKC Northwest branch, 4626 N.W. 39th St. |
8:30 - 11:30 a.m.
Limit the amount of paper to no more than three boxes (approximately 18x12x12 inches) per car.

### OKC area Member Appreciation Day: August 23, 2025

Oklahoma City Zoo, free for TFCU members |
5:30 - 9:30 p.m.

# A new way to contribute more to your 401(k)

Recent changes under the SECURE 2.0 Act allow eligible workers to make an expanded "super catch-up" contribution to their retirement plans. For 2025, qualifying participants can contribute up to $11,250 beyond the standard limit. This raises the total possible contribution to $34,750 for the year. Here are a few things to consider:

**A significant increase.** This marks one of the largest changes to contribution rules in two decades. The 2025 standard 401(k) limit is $23,500, with a regular catch-up of $7,500. The super catch-up offers an additional $3,750 for those who qualify. After the designated three-year window, limits revert to the standard catch-up amount.

**Traditional or Roth options.** Super catch-up contributions can be put into either a traditional pretax or Roth 401(k) account, depending on the plan availability. Starting in 2026, high earners may be required to make catch-up contributions to a Roth account unless a federal delay is extended.

**Plan participation varies.** Not all retirement plans are equipped to support the new limits. Payroll systems must also align to ensure contributions are processed correctly. Check with your plan administrator to understand eligibility and any matching opportunities.

**Get expert guidance.** Contribution eligibility is based on your age during the calendar year, so the window to act may open or close in the middle of the year. TFCU Financial Advisors can help you determine how these new rules fit into your long-term financial goals and assist with personalized planning to help you make the most of your retirement strategy.

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TFCU FINANCIAL ADVISORS





TFCU
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