https://www.mycreditunion.gov/insurance-estimator

What is NCUA?

The National Credit Union Administration (NCUA) is the independent agency that administers the National Credit Union Share Insurance Fund (NCUSIF). Like the FDIC's Deposit Insurance Fund, the NCUSIF is a federal insurance fund backed by the full faith and credit of the United States government. The NCUSIF insures member savings in federally insured credit unions, which account for about 98 percent of all credit unions in the United States. Deposits at all federal credit unions and the vast majority of state-chartered credit unions are covered by NCUSIF protection.

What is the purpose of NCUSIF?

The NCUSIF protects members' accounts in federally insured credit unions, in the unlikely event of a credit union failure. The NCUSIF covers the balance of each member's account, dollar-for-dollar up to the insurance limit, including principal and posted dividends through the date of the failure.

How do I know if my credit union is federally insured?

All federally insured credit unions must prominently display the official NCUA insurance sign at each teller station, where insured account deposits are normally received in their principal place of business and in all branches. federally insured credit unions are also required to display the official sign on their Internet page, if any, where they accept share deposits or open accounts. No credit union may end its federal insurance without first notifying its members.

All federally insured credit unions can be located under the Credit Union Lookup Option under the Share Insurance page.

Do I have to be a credit union member to be insured at that federally insured credit union?

All primary owners (natural person(s) and non-natural person(s)) on any share account at a federally insured credit union must fall within that credit union's field of membership and be on record as a member of that credit union. Co-owners on joint accounts with no beneficiaries are provided insurance coverage regardless of whether they are a member. However, co-owners on revocable trust accounts must be members of the credit union for their portion of the funds to be federally insured. Also, all owners on an irrevocable trust account must be members of the credit union OR all the beneficiaries must be members of the credit union for the account to be federally insured. If membership status of a co-owner is unknown, one should inquire with their credit union.

What types of accounts are eligible for NCUA insurance?*

NCUA share insurance covers many types of share deposits received at a federally insured credit union, including deposits in a share draft account, share savings account, or time deposit such as a share certificate. NCUA insurance covers members' accounts at each federally insured credit union, dollar-for-dollar, including principal and any accrued dividend through the date of the insured credit union’s closing, up to the insurance limit. This coverage also applies to nonmember deposits when permitted by law.

NCUA does not insure money invested in stocks, bonds, mutual funds, life insurance policies, annuities or municipal securities, even if these investment or insurance products are sold at a federally insured credit union. Credit unions often provide these services to their members through third-parties, and the investment and insurance products are not insured by the NCUSIF. In locations where these investment and insurance products are offered or sold to members, credit unions are required to disclose that the products:

-- are not insured by NCUA;

-- are not deposits or other obligations of the credit union and are not guaranteed by the credit union; and

-- are subject to investment risks, including possible loss of the principal invested.

In addition, NCUA does not insure safe deposit boxes or their contents.

*These share insurance coverage limits refer to the total of all shares that account owners have at each federally-insured credit union. The listing above shows only the most common ownership types that apply to individual and family shares, and assumes that all NCUA requirements are met.

How can I keep my share deposits within the NCUA insurance limits?

If you and your family have $250,000 or less in all of your share deposit accounts at the same insured credit union, you do not need to worry about your insurance coverage — your shares are fully insured. A member can have more than $250,000 at one insured credit union and still be fully insured provided the accounts meet certain requirements and are properly structured. In addition, federal law provides for insurance coverage of up to $250,000 for certain retirement accounts.

*These share insurance coverage limits refer to the total of all shares that account owners have at each federally-insured credit union. The listing above shows only the most common ownership types that apply to individual and family shares, and assumes that all NCUA requirements are met.

What are the basic NCUA coverage limits?*

Single Ownership Accounts (owned by one person with no beneficiaries): $250,000 per member-owner

Joint Ownership Accounts (two or more persons with no beneficiaries): $250,000 per owner (with the primary owner a member of the credit union)

IRAs and other certain retirement accounts: $250,000 per member-owner

Revocable trust accounts: Each member-owner is insured up to $250,000 for each eligible beneficiary named or identified in the revocable trust, subject to limitations and requirements.

Irrevocable trust accounts: Each owner (so long as all owners OR all beneficiaries are members of the credit union) is insured up to $250,000 for each beneficiary named or identified in the irrevocable trust, subject to specific limitations and requirements. Coverdell Education Savings Accounts, formerly education IRAs, are insured as irrevocable trust accounts.

A qualifying eligible beneficiary must be a natural person, or a charitable organization or non-profit entity under the Internal Revenue Code.

*These share insurance coverage limits refer to the total of all shares that account owners have at each federally insured credit union. The listing above shows only the most common ownership types that apply to individual and family shares, and assumes that all NCUA requirements are met.

Is it possible to have more than $250,000 at one federally insured credit union and still be fully covered?

You may qualify for more than $250,000 in coverage at one insured credit union if you own share accounts in different ownership categories. The most common account ownership categories for individual and family shares are single owner accounts, joint accounts, certain retirement accounts, revocable trust accounts, and irrevocable trust accounts.

Can insurance coverage be increased by depositing funds with different federally insured credit unions?

Member accounts at each federally insured credit union are insured separately from any accounts held at another federally insured credit union. If an insured credit union has branch offices, the main office and all branch offices are considered one credit union for insurance purposes. A member cannot increase insurance coverage by placing funds at different branches of the same federally insured credit union. Similarly, member accounts held with the Internet division of a federally insured credit union are considered the same as funds deposited with the "brick and mortar" part of the credit union, even if the Internet division uses a different name.

Can insurance coverage be increased by dividing my funds into several different accounts at the same federally insured credit union?

Share insurance coverage can be increased only if accounts are held in different categories of ownership. These categories include the four most common ownership categories: single owner accounts, retirement accounts, joint accounts, and revocable trust accounts; and less common ownership categories such as irrevocable trust accounts, employee benefit plan accounts, corporation, partnership and unincorporated association accounts, and public unit or government depositor accounts. A credit union member cannot increase federal insurance by dividing funds owned in the same ownership category among different products. For example, the type of products in which a member account is held - whether savings accounts, share draft/checking accounts, or share certificates - has no bearing on the amount of insurance coverage.

Can insurance coverage be increased by using a different co-owner's Social Security number on each account or changing the way the owners' names are listed on the accounts?

Using different Social Security numbers, rearranging the order of names listed on accounts or substituting "and" for "or" in joint account titles does not affect the amount of insurance coverage available to account owners.

How does NCUA determine ownership of funds?

The NCUA relies on "account records" of the federally insured credit union to determine how funds are insured. The NCUA may request supplemental documentation to identify the owners and beneficiaries. These documents may be used by the NCUA to confirm that the funds are actually owned in the manner indicated in the credit union's account records and to determine the amount of insurance coverage.

What are "account records?"

The "account records" of a federally insured credit union are, for example, account ledgers, signature cards, share certificates, passbooks, and certain computer records.

What is a single ownership account?

This is a share account owned by one person and titled in that person's name only, with no beneficiaries. All of your single ownership accounts at the same insured credit union are added together and the total is insured up to $250,000. For example, if you have a share draft/checking account and a share certificate at the same insured credit union, and both accounts are in your name only with no beneficiaries named, the two accounts are added together and the total is insured up to $250,000. Note that retirement accounts and trust accounts are not included in this ownership category.

What is a joint account?

This is a share account owned by two or more people and titled jointly in the co-owners' names only, with no beneficiaries. If all co-owners have equal rights to withdraw money from a joint account, a co-owner's share of all joint accounts at the same insured credit union are added together and the total is insured up to $250,000. The primary owner of the joint account must be a member of the credit union, but co-owners are not required to also be members. Note that jointly owned revocable trust accounts are not included in this ownership category.

If a couple has a joint money market account, a joint savings account, and a joint share certificate at the same insured credit union, each co-owner's share of the three accounts are added together and insured up to $250,000 per owner, providing up to $500,000 in coverage for the couple's joint accounts.

*Example:*John and Mary have three joint accounts totaling $600,000 at a federally insured credit union. Under NCUA rules, each co-owner's share of each joint account is considered equal unless otherwise stated in the credit union's records. John and Mary each own $300,000 in the joint account category, putting a total of $100,000 ($50,000 for each) over the insurance limit.

Joint Account

Account Title	**Type of Deposit**	**Account Balance**
Mary and John Smith	MMA	$50,000
John or Mary Smith	Savings	$150,000
Mary Smith or John Smith	Share Certificate	$400,000
Total Deposits		$600,000

Insurance coverage for each owner is calculated as follows:

Account Holders	**Ownership Share**	**Amount Insured**	**Amount Uninsured**
John	$300,000	$250,000	$50,000
Mary	$300,000	$250,000	$50,000
Total	**$600,000**	**$500,000**	**$100,000**

- Mary's ownership share in all joint accounts equals $300,000 [1/2 of the MMA ($25,000) plus 1/2 of the savings account ($75,000) plus 1/2 of the Share Certificate ($200,000), for a total of $300,000]. Since her coverage in the joint ownership category is limited to $250,000, $50,000 is uninsured.
- John's ownership share in all joint accounts is the same as Mary's, so $50,000 is uninsured.

What is meant by certain retirement accounts?

These are share accounts owned by one person and titled in the name of that person's retirement plan. The following types of retirement plans are insured in this ownership category:

- Any individual retirement account described in section 408(a) (IRA) of the Internal Revenue Code (26 U.S.C. 408(a)) or similar provisions of law applicable to a U.S. territory or possession;
- Any individual retirement account described in section 408A (Roth IRA) of the Internal Revenue Code (26 U.S.C. 408A) or similar provisions of law applicable to a U.S. territory or possession; and
- Any plan described in section 401(d) (Keogh account) of the Internal Revenue Code (26 U.S.C. 401(d)) or similar provisions of law applicable to a U.S. territory or possession.

All IRA and Roth IRA shares that an individual has in the same insured credit union are added together and the total is insured up to $250,000. Keogh accounts are insured separately up to $250,000.

Note: Naming beneficiaries on a retirement account does not increase share insurance coverage.

What is a revocable trust account?

A revocable trust account is a share account owned by one or more people that identifies one or more beneficiaries who will receive the deposits upon the death of the owner(s). A revocable trust can be revoked, terminated, or changed at any time, at the discretion of the owner(s). The term "owner" means the grantor, settlor, or trustor of the revocable trust.

This ownership category includes both informal and formal revocable trusts:

- Informal revocable trusts — also known as payable on death (POD), in trust for (ITF), testamentary, or Totten Trust accounts — are the most common form of revocable trusts. These informal revocable trusts are created when the account owner signs an agreement — usually part of the credit union's signature card — stating that the deposits will be payable to one or more beneficiaries upon the owner's death.
- Formal revocable trust — also known as Living trusts or family trusts — are formal revocable trusts created for estate planning purposes. The owner of a living trust controls the share deposits in the trust during his or her lifetime. The trust document sets forth who shall receive trust assets after the death of the owner.

Share insurance coverage for revocable trust accounts is provided to the owner of the trust. However, the amount of coverage is based on the number of beneficiaries named in the trust and, in some cases, the interests allocated to those beneficiaries, up to the insurance limit. A trust beneficiary can be an individual (regardless of the relationship to the owner), a charity, or a non-profit organization (as defined by the IRS).

Revocable trust coverage is based on all revocable trust deposits held by the same owner at the same credit union, whether formal or informal. If a revocable trust (formal or informal) has more than one owner, in order for each owner to receive NCUSIF coverage, each owner must be a member of the credit union in their own right. If a revocable trust account has more than one member-owner, each member-owner’s coverage is calculated separately, using the following rules:

- **Revocable Trust Share Deposits with Five or Fewer Beneficiaries** — Each member-owner's share of revocable trust deposits is insured up to $250,000 for each eligible beneficiary named or identified in the revocable trust (i.e., $250,000 times the number of different beneficiaries), regardless of actual interest provided to beneficiaries.

- **Revocable Trust Share Deposits with Six or More** — Each member-owner's share of revocable trust deposits is insured for the greater of either (1) coverage based on each eligible beneficiary's actual interest in the revocable trust deposits, with no beneficiary's interest to be insured for more than $250,000, or (2) $1,250,000.

Note: Determining coverage for revocable trust accounts that have six or more beneficiaries and provide different interests for the trust beneficiaries can be complicated. Contact the NCUA at 1-800-755-1030 if you need assistance in determining the insurance coverage of your revocable trust.

POD Account Example: Bill has a $250,000 POD account with his wife Sue as beneficiary. Sue has a $250,000 POD account with Bill as beneficiary. In addition, Bill and Sue as co-owners, also both members of the credit union, have a $1,500,000 POD account with their three named children as beneficiaries.

Account Title	Account Balance	Amount Insured	Amount Uninsured
Bill POD to Sue	$250,000	$250,000	$0
Sue POD to Bill	$250,000	$250,000	$0
Bill and Sue POD to 3 children	$1,500,000	$1,500,000	$0
Total	**$2,000,000**	**$2,000,000**	**$0**

These three accounts totaling $2,000,000 are fully insured because each member-owner is entitled to $250,000 of coverage for each beneficiary. Bill has $1,000,000 of insurance coverage because he names four beneficiaries — his wife in the first account and his three children in the third account. Sue also has $1,000,000 of insurance coverage — $250,000 for each of her beneficiaries — her husband in the second account and her three children in the third account.

When calculating coverage for revocable trust accounts, *keep in mind that:*

- Coverage is based on the number of beneficiaries (and, if the account has six or more beneficiaries, the interests of the beneficiaries) named by each owner. Additional coverage is not provided for the trust owner(s). For example, if a father owns a $750,000 POD account naming his two sons as beneficiaries, the father's account is insured for $500,000 because he is entitled to $250,000 of deposit insurance coverage for each eligible beneficiary he has named in the account. The remaining $250,000 is uninsured. A common **misconception** is that deposit insurance is determined by counting or adding the total number of individuals listed on a POD account. Coverage is **NOT calculated** as owners plus beneficiaries times $250,000.

- NCUA insurance limits apply to all revocable trust deposits — including all POD/ITF and living trust accounts — that a trust owner has at one insured credit union. In applying the $250,000 per beneficiary insurance limit, the NCUA combines an owner's POD accounts with the living trust accounts that name the same beneficiaries at the same credit union.
- NCUA insurance is provided to any co-owner that is a member of the credit union. If a co-owner is not a member of the credit union, coverage is not provided and only the primary member-owner's interest of the funds is insured.

More in-depth information on types of deposit accounts

- Single Ownership Accounts
- Joint Accounts
- Certain Retirement Accounts
- Revocable Trust Accounts
- Irrevocable Trust Accounts
- Employee Benefit Plan Accounts
- Corporation, Partnership, and Unincorporated Association Accounts
- Government Accounts

Single Ownership Accounts

1. **What is a single ownership account?**
   A single ownership account is a share account owned by one person, with no beneficiaries. Such accounts include shares titled in the owner's name alone, shares established for the benefit of the owner by an agent, nominee, guardian, custodian, or conservator, and shares belonging to the owner of a sole proprietorship.
2. **How are single ownership accounts insured?**
   All single ownership accounts established by, or for the benefit of, the same person are added together. The total is insured up to a maximum of $250,000, including principal and dividend.

Example of Insurance Coverage for Single Ownership Accounts

Ownership Structure	**Share Certificate**	**Amount Deposited**
Jane Smith	Savings account	$25,000
Jane Smith	Share Certificate	$250,000
Jane Smith	Share Draft account	$50,000
Jane Smith's sole proprietorship	MMA	$50,000
Total Deposited		**$375,000**

Example of Insurance Coverage for Single Ownership Accounts

Ownership Structure	**Share Certificate Amount Deposited**
Insured Amount	**$250,000**
Uninsured Amount	**$125,000**

3.

4. **What is the Uniform Transfer to Minor Act and how are deposit accounts established under this law insured?**
   The Uniform Transfer to Minor Act is a state law that allows an adult to make a gift to a minor. Funds given to a minor by this method are held in the name of a custodian for the minor's benefit. Funds deposited for the minor's benefit under the Act are added to any other single accounts of the minor, and the total is insured up to a maximum of $250,000.
5. **How are sole proprietorship accounts insured?**
   These are shares owned by an unincorporated business, in contrast to a business that is incorporated or a partnership. Share accounts owned by a sole proprietor are insured as the single funds of the person who owns the business. So, if an individual has an account in his name alone and another account in the name of his sole proprietorship, the balances in those accounts would be combined and insured up to a maximum of $250,000 in the single ownership account category.
6. **How are decedent estate accounts insured?**
   Funds of a decedent held in the name of the decedent or in the name of the executor or administrator of the decedent's estate, in one or more accounts, shall be insured up to the SMSIA in the aggregate for all such accounts, separately from the individual accounts of the beneficiaries of the estate or of the executor or administrator. It is important to note that coverage is not provided on a per beneficiary basis. So, even though there might be multiple beneficiaries of the decedent's estate, the account for the decedent would not be insured for more than $250,000.

Joint Accounts

1. **What is a joint account?**
   A joint account is a share account owned by two or more individuals, with no beneficiaries. NCUA's share insurance covers joint accounts owned in any manner conforming to applicable state law, such as joint tenants with a right of survivorship, tenants by the entirety, and tenants in common.
2. **What are the requirements for joint accounts?**
   Joint accounts are insured separately from other ownership categories if all of the following conditions are met:

- All co-owners must be natural persons. This means that legal entities such as corporations or partnerships are not eligible for joint account share insurance coverage. A nonmember may become a joint owner with a member on a joint account with right of survivorship. The nonmember's interest in such accounts will be insured in the same manner as the member joint-owner's interest.
- Each of the co-owners must have personally signed a membership or account signature card. The signature requirement does not apply to share certificates, or to any account maintained by an agent, nominee, guardian, custodian, or conservator on behalf of two or more persons if the records of the credit union properly reflect that the account is so maintained, but the shares must in fact be jointly owned.
- Each of the co-owners must have equal rights to withdraw funds from the account.

3. **How are joint accounts insured?**
An individual's (co-owner's) interests in all qualifying joint accounts are added together and the total is insured up to the $250,000 maximum. Each co-owner's interest (or share) in a joint account is deemed equal. The balance of a joint account can exceed $250,000, as long as no owner's share of joint accounts at the same credit union exceeds $250,000. The use of different Social Security numbers does not determine insurance coverage, nor does rearranging the owners' names, changing the style of the names, or using "or" rather than "and" to join the owners' names in a joint account title.

Example of Insurance Coverage for Joint Accounts

Account Title	**Owners**	**Balance**
#1	A and B	$250,000
#2	B and A	$120,000
#3	A and B and C	$180,000
#4	A and D	$80,000
Total		$630,000

4.

Each owner's ownership interests in these four joint accounts follow:

A's Ownership Interest	**Interest**
1/2 of the balance in account #1	$125,000
1/2 of the balance in account #2	$60,000
1/3 of the balance in account #3	$60,000
1/2 of the balance in account #4	$40,000

A's Ownership Interest	Interest
Total of A's Ownership Interest	**$285,000**

5.

A's ownership interest in the joint account category is $285,000. This amount is more than the $250,000 maximum, so $250,000 is insured and $35,000 is uninsured.

B's Ownership Interest	Interest
1/2 of the balance in account #1	$125,000
1/2 of the balance in account #2	$60,000
1/3 of the balance in account #3	$60,000
Total of B's Ownership Interest	**$245,000**

6.

B's ownership interest in the joint account category is $245,000. That amount is less than the $250,000 maximum, so B is fully insured.

C's Ownership Interest	Interest
1/3 of the balance in account #3	$60,000
Total of C's Ownership Interest	**$60,000**

7.

C's ownership interest in the joint account category is $60,000. That amount is less than the $250,000 maximum, so C is fully insured.

D's Ownership Interest	Interest
1/2 of the balance in account #4	$40,000
Total of D's Ownership Interest	**$40,000**

8.

D's ownership interest in the joint account category is $40,000. That amount is less than the $250,000 maximum, so D is fully insured.

Summary of Insurance Coverage for Joint Accounts

Owner	Ownership Interest	Insured	Uninsured
A	$285,000	$250,000	$35,000

Summary of Insurance Coverage for Joint Accounts

Owner	Ownership Interest	Insured	Uninsured
B	$245,000	$245,000	$0
C	$60,000	$60,000	$0
D	$40,000	$40,000	$0
Total	**$630,000**	**$595,000**	**$35,000**

Certain Retirement Accounts

1. **What certain retirement accounts are insured?**
   Certain Retirement accounts are a separate account ownership type, and include shares in the following types of accounts:
   - Any individual retirement account described in section 408(a) (IRA) of the Internal Revenue Code (26 U.S.C. 408(a)) or similar provisions of law applicable to a U.S. territory or possession;
   - Any individual retirement account described in section 408A (Roth IRA) of the Internal Revenue Code (26 U.S.C. 408A) or similar provisions of law applicable to a U.S. territory or possession; and
   - Any plan described in section 401(d) (Keogh account) of the Internal Revenue Code (26 U.S.C. 401(d)) or similar provisions of law applicable to a U.S. territory or possession.
2. **How are certain retirement accounts insured?**
   IRA and Roth IRA accounts will be combined together and insured in the aggregate up to $250,000. A Keogh account will be separately insured from an IRA account, Roth IRA account or, where applicable, aggregated IRA and Roth IRA accounts.
3. **How are Coverdell IRAs or Health Savings Accounts insured?**
   Coverdell Education Savings Accounts (formerly known as an Education IRAs), Health Savings Accounts and Medical Savings Accounts are not included in the certain retirement account ownership category. Depending on the structure, these accounts may be included in the single account or trust account ownership category.

Revocable Trust Accounts

1. **What is a revocable trust account?**
   A revocable trust account is a share account that indicates an intention that the funds will belong to one or more beneficiaries upon the death of the owner (grantor/settlor/trustor). There are both informal and formal revocable trusts:
   - Informal revocable trusts — often called payable on death (POD), Totten trust, or in trust for (ITF) accounts — are created when the account owner

signs an agreement, usually part of the credit union’s signature card, stating that the funds are payable to one or more beneficiaries upon the owner's death.
    - Formal revocable trusts — known as living or family trusts — are written trusts created for estate planning purposes. The owner (also known as a grantor, settlor or trustor) controls the funds in the trust during his or her lifetime and reserves the right to revoke the trust.

2. **How are revocable trust accounts insured?**
   Share insurance coverage for revocable trust accounts is provided to the owner of the trust. However, the amount of coverage is based on the number of beneficiaries named in the trust and, in some cases, the interests allocated to those beneficiaries, up to the insurance limit. A trust beneficiary can be an individual (regardless of the relationship to the owner), a charity, or a non-profit organization (as defined by the IRS).

   Revocable trust coverage is based on all revocable trust accounts held by the same owner at the same insured credit union, whether formal or informal. If a revocable trust account has more than one owner, in order for each owner to receive insurance coverage, each owner must be a member of the credit union. Each member-owner's coverage is calculated separately, using the following rules:
    - Revocable Trust Share Deposits with Five or Fewer Beneficiaries — Each member-owner's ownership interest of the revocable trust is insured up to $250,000 for each eligible beneficiary named or identified in the revocable trust (i.e., number of member-owners times $250,000 times the number of different beneficiaries), regardless of actual interest provided to beneficiaries. (If only one owner of a multiple owner revocable trust account is a member of the credit union then the calculation is 1 x $250,000 x the number of different beneficiaries.)
    - Revocable Trust Share Deposits with Six or More Beneficiaries — Each member-owner's ownership interest of the revocable trust is insured for the greater of either (1) coverage based on each eligible beneficiary's actual interest in the revocable trust, with no beneficiary's interest to be insured for more than $250,000, or (2) $1,250,000.

Example — POD Accounts with One Owner

Account Title	Account Balance	Amount Insured	Amount Uninsured
John Smith POD to son	$250,000	$250,000	$0

Explanation: This revocable trust account is insured up to $250,000 since there is one beneficiary who will receive the shares when the owner dies.

3. **Can a revocable trust account have more than $250,000 in insurance coverage?**
   If a revocable trust account has more than one owner (e.g., husband and wife) or is held for more than one beneficiary, the insured balance of the account can exceed $250,000 and still be fully insured. If there is more than one owner, and all owners are members of the credit union, the NCUSIF will assume that the member-owners' shares are equal unless the share account records state otherwise.

Example — POD Accounts with Multiple Owners and Beneficiaries

Account Title	**Account Balance**	**Amount Insured**	**Amount Uninsured**
Husband and Wife POD 3 children	$1,500,000	$1,500,000	$0
Husband POD wife	$250,000	$250,000	$0
Wife POD husband	$250,000	$250,000	$0
Husband POD niece and nephew	$500,000	$500,000	$0
Husband and wife POD grandchild	$600,000	$500,000	$100,000
Total	**$3,100,000**	**$3,000,000**	**$100,000**

4.

   Explanation: All but one account is fully insured. The account naming the one grandchild is insured to $500,000 because each member-owner is entitled to $250,000 insurance coverage for the sole beneficiary.

   Living Trust Example: A husband and wife have a living trust leaving all trust assets equally to their three children upon the death of the last owner. All share deposits held in the name of this trust at one federally insured credit union would be covered up to $1,500,000. Each member-owner is entitled to $750,000 of insurance coverage because they each are members of the credit union and they each have three beneficiaries who will receive the trust deposits when both member-owners have died.
5. **What is the share insurance coverage of a revocable trust account when the beneficiaries do not have equal interests?**
   If a revocable trust has five or fewer beneficiaries, then each member-owner's share of all trust share deposits at one insured credit union is covered up to $250,000 times the number of beneficiaries, regardless of the actual proportional interests set forth in the trust document. For example:
   - *An individual has $750,000 in revocable trust account at one federally insured credit union.* The trust document specifies that 60% goes to one child, 30% goes to a second child, and 10% to a third child. The full

balance of the trust is insured, because the member-owner receives coverage of $250,000 per beneficiary, regardless of the actual interests set forth in the trust document since there are less than six named beneficiaries.

If a revocable trust has six or more beneficiaries, then each member-owner's share of revocable trust shares is insured for the greater of either (1) the coverage based on each beneficiary's actual interest in the revocable trust deposits, with no beneficiary's interest to be insured for more than $250,000, or (2) $1,250,000. For example:

- *An individual has $1,400,000 in revocable trust account at one federally insured credit union.* The trust document specifies that 50% of the funds will belong to the owner's son and 10% will belong to each of his five grandchildren. Maximum coverage for this depositor's funds is the greater of (1) the coverage based on each beneficiary's actual interest in the revocable trust deposits, with no beneficiary's interest exceeding $250,000, or (2) $1,250,000. In determining the deposit insurance coverage, we first must calculate the coverage based on actual interests:
    - The amount attributable to the first beneficiary is $700,000 ($1,400,000 X 50%). Of this amount $250,000 is insured and $450,000 is uninsured.
    - The amount attributable to each of the 5 remaining beneficiaries is $140,000 ($1,400,000 X 10%). Since the amount going to each remaining beneficiary is less than $250,000, this portion is fully insured.
    - Based on actual interests, the owner is insured for $950,000, leaving $450,000 uninsured.

Revocable Trust Share Deposits $1,400,000

Beneficiary	**Beneficiary Interest**	**Allocated Amount**	**Insured Amount**	**Uninsured Amount**
Son	50%	$700,000	$250,000	$450,000
GC1	10%	$140,000	$140,000	$0
GC2	10%	$140,000	$140,000	$0
GC3	10%	$140,000	$140,000	$0
GC4	10%	$140,000	$140,000	$0
GC5	10%	$140,000	$140,000	$0
Total	**100%**	**$1,400,000**	**$950,000**	**$450,000**

The total beneficiaries' interests ($950,000) is then compared with the minimum coverage amount ($1,250,000) for trusts with six or more beneficiaries. Since the coverage based on actual interests is less than $1,250,000, the trust owner's share deposits are insured up to $1,250,000, and only $150,000 is uninsured.

- *An individual has $2.5 million in revocable trust accounts at one federally insured credit union.* The trust document specifies that 10% of the funds will belong to each of her five children and 5% will belong to each of her 10 grandchildren. As before, we must first calculate the coverage based on actual interests:
    - The amount attributable to each of the first 5 beneficiaries is $250,000 ($2,500,000 X10% (each child's share)). Since this amount is at the maximum coverage an owner can receive per beneficiary, the shares attributable to these beneficiaries are fully insured. The amount attributable to each of the remaining 10 beneficiaries is $125,000 ($2,500,000 X 5% (each grandchild's share)). Since this amount is less than the $250,000 per-beneficiary limit, the shares attributable to the remaining beneficiaries are also fully insured.

  The total beneficiaries' interests ($2,500,000) is then compared with the minimum coverage amount ($1,250,000) for trusts with six or more beneficiaries. Since the coverage based on actual interests is greater than $1,250,000, the trust is insured based on the $2,500,000 actual interests, not the minimum amount.

6. **For a formal living (or family) trust, how is a beneficiary's life estate interest insured?**
   Living trusts often give a beneficiary the right to receive income from the trust or to use trust assets during the beneficiary's lifetime (known as a life estate interest). When the beneficiary with the life estate interest dies, the remaining assets pass to other beneficiaries. A life estate interest is insured up to $250,000, separate from the interests of the other remaining beneficiaries. For example:
    - *A husband creates a living trust giving his wife a life estate interest* in the trust assets, with the remaining assets to belong equally to the couple's two children upon both parent's death. Deposits held in the name of this trust would be insured up to $750,000 ($250,000 for each beneficiary — the wife and two children).
7. **Are living trust accounts and POD accounts separately insured?**
   The $250,000 per beneficiary insurance limit applies to all revocable trust accounts — POD and living trust accounts — that an owner has at the same insured credit union. For example:
    - A father has a POD account with a balance of $400,000 naming his son and daughter as beneficiaries. He also has a living trust account with a balance of $200,000 naming the same beneficiaries. The funds in both

accounts would be added together and $300,000 would be attributable as the beneficial interest of each child. Therefore, the two accounts together would be insured for $500,000 ($250,000 per beneficiary) and uninsured for $100,000.

Irrevocable Trust Accounts

1. **What is an irrevocable trust?**
   Irrevocable trust accounts are share accounts held by a trust established by statute or a written trust agreement, in which the creator of the trust (grantor/settlor/trustor) contributes funds or property and gives up all power to cancel or change the trust.

   There are two types of irrevocable trusts —
   - Those created following the death of an owner of a revocable trust. The insurance coverage of these irrevocable trusts may continue to be insured under the rules for revocable trusts, which are described above. Please contact the NCUA at 1-800-755-1030 for further information.
   - Those that are initially created as an irrevocable trust (usually by a court order or established under a will) and are not derived from a revocable trust. The insurance coverage of these irrevocable trusts is described below.
2. **How are funds deposited pursuant to an irrevocable trust document insured?**
   The interests of a beneficiary in all share accounts established by the same settlor and held at the same insured credit union under an irrevocable trust are added together and insured up to $250,000, provided all of the following requirements are met:
   - The credit union's records must indicate the name of both the settlor and the trustee of the trust and must contain an account signature card executed by the trustee indicating the fiduciary capacity of the trustee.
   - Either all the owners or all the beneficiaries are members of the credit union.
   - The beneficiaries and their interests in the trust must be identifiable from the share account records of the credit union or from the records of the trustee.
   - The amount of each beneficiary's interest can be determined without evaluation of contingencies except for a few exceptions.
   - The trust must be valid under state law.

   Since the amount of insurance for an irrevocable trust depends upon specific terms and conditions of the trust, owners or trustees of an irrevocable trust may wish to consult with their legal or financial advisor for assistance in determining the amount of insurance coverage available to trust accounts.

3. **What is the insurance coverage if all owner or all beneficiaries are not members? For example, if S, a nonmember, invests funds in an irrevocable trust for A, B, C, D, and E; and A, B, and C are members but D, E and S are not.**
   The amount in this account is uninsurable. Where there is more than one settlor or more than one beneficiary, all the settlors or all the beneficiaries must be members to establish this type of account. Since D, E and S are not members, this account cannot legally be insured. Also, establishing this account would not be permissible if the membership requirements are not met.
4. **What if the beneficiaries or their interests in an irrevocable trust cannot be ascertained?**
   When the interests of the beneficiaries cannot be determined, insurance coverage for the entire trust is generally limited to a maximum of $250,000.

Employee Benefit Plan Accounts

1. Please note the Share Insurance Estimator does not compute the share insurance coverage for Employee Benefit Plan Accounts. For the share insurance coverage for Employee Benefit Plan Accounts, please contact the NCUA at 1-800-755-1030.
2. **What is the coverage on each participant's share of an employee benefit plan?**
   In the case of an employee retirement fund where only a portion of the fund is placed in a credit union account, the amount of insurance available to an individual participant on his interest in the account will be in proportion to his interest in the entire employee retirement fund. If, for example, the member's interest represents 10% of the entire plan funds, then he is presumed to have only a 10% interest in the plan account. Said another way, if a member has a vested interest of $10,000 in a municipal employees retirement plan and the trustee invests 25% of the total plan funds in a credit union, the member would be insured for only $2,500 on that credit union account. There is an exception, however. The member would be insured for $10,000 if the trustee can document, through records maintained in the ordinary course of business, that individual beneficiary's interests are segregated and the total vested interest of the member was, in fact, invested in the credit union.
3. **What is the coverage on each participant’s share if the participant is or is not a member?**

   If Member T invests $5,000,000 in trust for ABC Employees Retirement Fund, what is the insurance coverage when some of the participants are members and some are not?

   The account is insured as to the determinable interests of each participant to a maximum of $250,000 per participant regardless of credit union member status.

T's member status is also irrelevant. Participant interests not capable of evaluation shall be added together and insured to a maximum of $250,000 in the aggregate.

Another example is: T is trustee for the ABC Employees Retirement Fund containing $1,000,000. Fund participant A has a determinable interest of $90,000 in the Fund (9% of the total). T invests $500,000 of the Fund in an insured credit union and the remaining $500,000 elsewhere. Some of the participants of the Fund are members of the credit union and some are not. T does not segregate each participant's interest in the Fund. What is the insurance coverage?

The account is insured as to the determinable interest of each participant, adjusted in proportion to the Fund's investment in the credit union, regardless of the membership status of the participants or trustee. A's insured interest in the account is $45,000, or 9% of $500,000. This reflects the fact that only 50% of the Fund is in the account, and A's interest in the account is in the same proportion as his interest in the overall plan. All other participants would be similarly insured. Participants' interests not capable of evaluation are added together and insured to a maximum of $250,000 in the aggregate.

Corporation, Partnership, and Unincorporated Association Accounts

1. **What are corporations, partnerships and unincorporated association accounts?**
   These are accounts established by businesses and organizations — including for-profit and not-for-profit organizations — engaged in an independent activity, meaning that the entity is operated primarily for some purpose other than to increase insurance coverage.
2. **What are unincorporated associations?**
   Unincorporated associations typically include religious, community and civic organizations, and social clubs that are not incorporated.
3. **What is the deposit insurance coverage for funds deposited by a corporation, partnership, or unincorporated association?**
   Funds deposited by a corporation, partnership, or unincorporated association are insured up to a maximum of $250,000. Funds deposited by a corporation, partnership, or unincorporated association are insured separately from the personal accounts of the stockholders, partners, or members. To qualify for this coverage, the entity must be engaged in an independent activity, meaning that the entity is operated primarily for some purpose other than to increase deposit insurance.
4. **Is there any way that a business can qualify for additional insurance coverage?**
   No, there is no way that a corporation, partnership, or unincorporated association can qualify for more than $250,000 in share insurance coverage for its share

deposits at one credit union. Separate accounts owned by the same entity, but designated for different purposes, are not separately insured. Instead, such accounts are added together and insured up to $250,000. If a corporation has divisions or units that are not separately incorporated, the share accounts of those divisions or units will be added to any other share accounts of the corporation for purposes of determining share insurance coverage.

Some examples are below:

Example 1. Member X Corporation maintains a $250,000 account. The stock of the corporation is owned by members A, B, C, and D in equal shares. Each of these stockholders also maintains an individual account of $250,000 with the same credit union. What is the insurance coverage?

Each of the five accounts would be separately insured to $250,000 if the corporation is engaged in an independent activity and has not been established merely for the purpose of increasing insurance coverage. The same would be true if the business were operated as a bona fide partnership instead of as a corporation. However, if X corporation was not engaged in an independent activity, then $62,500 (1⁄4 interest) would be added to each account of A, B, C, and D. The accounts of A, B, C, and D would then each be insured to $250,000, leaving $62,500 in each account uninsured.

Example 2. Member C College maintains three separate accounts with the same credit union under the titles: "General Operating Fund," "Teachers Salaries," and "Building Fund." What is the insurance coverage?

Since all of the funds are the property of the college, the three accounts are added together and insured only to the $250,000 maximum. However, if Member C College were to meet the requirements for being a public unit (i.e. a state governed public school), these accounts of Member C College would be instead insured as a government account versus a business account.

Example 3. The men's club of X Church carries on various social activities in addition to holding several fund-raising campaigns for the church each year. The club is supported by membership dues. Both the club and X Church maintain member accounts in the same credit union. What is the insurance coverage?

The men's club is an unincorporated association engaged in an independent activity. If the club funds are, in fact, legally owned by the club itself and not the church, each account is separately insured to the $250,000 maximum.

Example 4. The PQR Union, a member of the ABC Federal Credit Union, has three locals in a certain city. Each of the locals maintains an account containing funds belonging to the parent organization. All three accounts are in the same insured credit union. What is the insurance coverage?

The three accounts are added together and insured up to the $250,000 maximum.

5. **Does the number of partners, members, or account signatories increase deposit insurance coverage?**
   The number of partners, members, or account signatories that a corporation, partnership, or unincorporated association has does not affect coverage. For example, deposits owned by a homeowners association are insured up to $250,000 in total, not $250,000 for each member of the association.
6. **How are deposits of a sole proprietorship insured?**
   Deposits owned by a business that is a sole proprietorship are not insured under this category. Rather, they are insured as the single account deposits of the person who is the sole proprietor. Funds deposited in the sole proprietorship's name are added to any other single accounts of the sole proprietor, and the total is insured to a maximum of $250,000.

Government Accounts

1. **What are government accounts?**
   Government accounts are also known as public unit accounts. This category includes deposit accounts of the United States, any state, county, municipality (or a political subdivision of any state, county, or municipality), the District of Columbia, Puerto Rico, and other government possessions and territories, or an Indian tribe.
2. **How are public unit accounts insured?**
   Insurance coverage of a public unit account differs from a corporation, partnership, or unincorporated association account in that the coverage extends to the official custodian of the funds belonging to the public unit rather than the public unit itself. As such, the official custodian of funds belonging to a public unit, rather than the public unit itself, is insured as the account holder. All funds belonging to a public unit and invested by the same custodian in a federally-insured credit union are categorized as either share draft accounts or share certificate and regular share accounts. If these accounts are invested in a federally-insured credit union located in the jurisdiction from which the official custodian derives his authority, then the share draft accounts will be insured separately from the share certificate and regular share accounts. Under this circumstance, all share draft accounts are added together and insured to the $250,000 maximum and all share certificate and regular share accounts are also added together and separately insured up to the $250,000 maximum. If, however, these accounts are invested in a federally-insured credit union located outside of the jurisdiction from which the official custodian derives his authority, then insurance coverage is limited to $250,000 for all accounts regardless of whether they are share draft, share certificate or regular share accounts. If there is more than one official custodian for the same public unit, the funds invested by

each custodian are separately insured. If the same person is custodian of funds for more than one public unit, he is separately insured with respect to the funds of each unit held by him in properly designated accounts.

3. **What is the definition of a political subdivision?**
   The term *political subdivision* includes any subdivision of a public unit, as defined in the Glossary or any principal department of such public unit, (1) the creation of which subdivision or department has been expressly authorized by state statute, (2) to which some functions of government have been delegated by state statute, and (3) to which funds have been allocated by statute or ordinance for its exclusive use and control. It also includes drainage, irrigation, navigation improvement, levee, sanitary, school or power districts and bridge or port authorities, and other special districts created by state statute or compacts between the states. Excluded from the term are subordinate or nonautonomous divisions, agencies, or boards within principal departments.
4. **How are political subdivision accounts insured?**
   A "political subdivision" is entitled to the same insurance coverage as any other public unit.
   Some examples are below:

   Example 1. A, as city treasurer, and B, as chief of the city police department, each have $250,000 in city funds invested in custodial accounts. What is the insurance coverage?

   Assuming that both A and B have official custody of the city funds, each account is separately insured to the $250,000 maximum.

   Example 2. A is Treasurer of X County and collects certain tax assessments, a portion of which must be paid to the state under statutory requirement. A maintains an account for general funds of the county and establishes a separate account for the funds which belong to the State Treasurer. The credit union's records indicate that the separate account contains funds held for the State. What is the insurance coverage?

   Since two public units own the funds held by A, the accounts would each be separately insured to the $250,000 maximum.

   Example 3. A city treasurer invests city funds in each of the following accounts: "General Operating Account," "School Transportation Fund," "Local Maintenance Fund," and "Payroll Fund." Each account is available to the custodian upon demand. By administrative direction, the city treasurer has allocated the funds for the use of and control by separate departments of the city. What is the insurance coverage?

   All of the accounts are added together and insured in the aggregate to $250,000. Because the allocation of the city's funds is not by statute or ordinance for the specific use of and control by separate departments of the city, separate insurance coverage to the maximum of $250,000 is not afforded to each account.

Example 4. A, the custodian of retirement funds of a military exchange, invests $2,500,000 in an account in an insured credit union. The military exchange, a non-appropriated fund instrumentality of the United States, is deemed to be a public unit. The employees of the exchange are the beneficiaries of the retirement funds but are not members of the credit union. What is the insurance coverage?

Because A invested the funds on behalf of a public unit, in his capacity as custodian, those funds qualify for $250,000 share insurance even though A and the public unit are not within the credit union's field of membership. Since the beneficiaries are neither public units nor members of the credit union they are not entitled to separate share insurance. Therefore, $2,250,000 is uninsured.

Example 5. A is the custodian of the County's employee retirement funds. He deposits $2,500,000 in retirement funds in an account in an insured credit union. The "beneficiaries" of the retirement fund are not themselves public units nor are they within the credit union's field of membership. What is the insurance coverage?

Because A invested the funds on behalf of a public unit, in his capacity as custodian, those funds qualify for $250,000 share insurance even though A and the public unit are not within the credit union's field of membership. Since the beneficiaries are neither public units nor members of the credit union they are not entitled to separate share insurance. Therefore, $2,250,000 is uninsured.

Example 6. A county treasurer establishes the following share draft accounts in an insured credit union each with $250,000:
"General Operating Fund"
"County Roads Department Fund"
"County Water District Fund"
"County Public Improvement District Fund"
"County Emergency Fund"
What is the insurance coverage?

The "County Roads Department," "County Water District" and "County Public Improvement District" accounts would each be separately insured to $250,000 if the funds in each such account have been allocated by law for the exclusive use of a separate county department or subdivision expressly authorized by State statute. Funds in the "General Operating" and "Emergency Fund" accounts would be added together and insured in the aggregate to $250,000, if such funds are for countywide use and not for the exclusive use of any subdivision or principal department of the county, expressly authorized by State statute.

Example 7. A, the custodian of Indian tribal funds, lawfully invests $2,500,000 in an account in an insured credit union on behalf of 15 different tribes; the records of the credit union show that no tribe's interest exceeds $250,000. A, as official custodian, also invests $2,500,000 in the same credit union on behalf of 100 individual Indians, who are not members; each Indian's interest is $10,000. What is the insurance coverage?

Because each tribe is considered a separate public unit, the custodian of each tribe, even though the same person, is entitled to separate insurance for each tribe. Since the credit union's records indicate no tribe has more than $250,000 in the account, the $2,500,000 would be fully insured as 15 separate tribal accounts. If any one tribe had more than a $250,000 interest in the funds, it would be insured only to $250,000 and any excess would be uninsured.

However, the $2,500,000 invested on behalf of the individual Indians would not be insured since the individual Indians are neither public units nor, in the example, members of the credit union. If A is the custodian of the funds in his capacity as an official of a governmental body that qualified as a public unit, then the account would be insured for $250,000, leaving $2,250,000 uninsured.

Example 8. A, an official custodian of funds of a state of the United States, lawfully invests $500,000 of state funds in a federally-insured credit union located in the state from which he derives his authority as an official custodian. What is the insurance coverage?

If A invested the entire $500,000 in a share draft account, then $250,000 would be insured and $250,000 would be uninsured. If A invested $250,000 in share draft accounts and another $250,000 in share certificate and regular share accounts, then A would be insured for $250,000 for the share draft accounts and $250,000 for the share certificate and regular share accounts leaving nothing uninsured. If A had invested the $500,000 in a federally-insured credit union located outside the state from which he derives his authority as an official custodian, then $250,000 would be insured for all accounts regardless of whether they were share draft, share certificate or regular share accounts, leaving $250,000 uninsured.

What share insurance coverage exists after a member dies?

The NCUA will insure a deceased member's accounts as if he or she were still alive for six months after his or her death. During this "grace period," the insurance coverage of the member's accounts will not change unless the accounts are restructured by those authorized to do so. The NCUA applies the grace period only if its application would increase, rather than decrease, share insurance coverage.

For example: A and B own a qualifying joint account of $500,000 for which they each have a right of survivorship. B also has a single (or individual) account of $250,000 at the same federally insured credit union. If A dies, for six months after A's death the NCUA will still insure the A and B account as a joint account, even though B, as A's survivor, has inherited A's ownership interest in the account. After the grace period, B's increased ownership interest in the joint account would be added to his or her single account and insured to a limit of $250,000.

Please note this grace period does not extend to beneficiaries listed on revocable trust accounts (also known as "payable on death" or "in trust for" accounts) or irrevocable trust accounts.

What happens when federally insured credit unions merge?

If a member has accounts in credit union A and credit union B, and credit union A merges into credit union B, accounts of credit union A continue to be insured separately from the share deposits of credit union B for six months after the date of the merger or, in the case of a share certificate, the earliest maturity date after the six-month period. In the case of a share certificate that matures within the six-month grace period that is renewed at the same dollar amount, either with or without accrued dividends having been added to the principal amount, and for the same term as the original share certificate, the separate insurance applies to the renewed share certificate until the first maturity date after the six-month period. A share certificate that matures within the six-month grace period that is renewed on any other basis, or that is not renewed, is separately insured only until the end of the six-month grace period.

What happens if a federally insured credit union is liquidated?

The NCUA would either transfer the insured member's account to another federally insured credit union or give the federally insured member a check equal to their insured account balance. This includes the principal and posted dividends through the date of the credit union’s liquidation, up to the insurance limit.

If a credit union is liquidated, what is the timeframe for payout of the funds that are insured if the credit union cannot be acquired by another credit union?

Federal law requires the NCUA to make payments of insured accounts "as soon as possible" upon the failure of a federally insured credit union. While every credit union failure is unique, there are standard policies and procedures that the NCUA follows in making share insurance payments. Historically, insured funds are available to members within just a few days after the closure of an insured credit union.

What happens to members with uninsured shares?

Members who have uninsured shares may recover a portion of their uninsured shares, but there is no guarantee that they will recover any more than the insured amount. The amount of uninsured shares they may receive, if any, is based on the recovery of the failed credit union's assets. Depending on the quality and value of these assets, it may take several years to conclude recovery on all the assets. As recoveries are made, uninsured account holders may receive periodic payments on their uninsured shares claim.

What happens to my direct deposits if a federally insured credit union is liquidated?

If a liquidated credit union is acquired by another federally insured credit union, all direct deposits, including Social Security checks or paychecks delivered electronically, will be automatically deposited into your account at the assuming credit union. If the NCUA cannot find an acquirer for the liquidated credit union, the NCUA will advise members to make new arrangements.

What happens to loans a member has at a liquidated federal credit union?

The member remains liable for any payments due on a loan or credit card. The member would continue making payments as they did before the credit union failed until they are instructed to do otherwise in writing by the acquiring credit union or the NCUA. If a member's credit union is liquidated and the member has both a loan and shares at the credit union, the NCUA may deduct the loan balance from the share balance.