



2019 IN REVIEW: CONSISTENT GROWTH

Thank you for choosing Peoples State Bank. The growth Peoples has achieved over the last few years continued through 2019, thanks to customers like you. We expect to reach new record assets of approximately \$950 million at year end because of our partnership to use your local deposit dollars to fund loans to individuals and businesses within our markets.

I'm encouraged by the continued strong support from customers like you who completed our recent customer survey. Peoples continues a high level of customer service as 76% of customers rate our service "better" or "much better" than other companies. We appreciate your feedback during our annual customer survey, but also love to hear from you at any time during the year. It's especially important for us to receive your feedback as we make future decisions on products and services.

We are excited to be recognized by Wausau Daily Herald readers as the *Best Bank in Marathon County*. Peoples State Bank was

also named by American Banker magazine as one of the *Best Banks to Work For*. I'm inspired by our team of high-performing employees, who bring passion and integrity to work every day and the positive impact they have on customer service delivery.

As we close 2019, our employees are well on their way to another amazing year of volunteer efforts in the communities they live and work. We expect to top 8,000 hours of volunteer time at non-profits, schools, churches, and civic organizations, providing an estimated \$200,000 of value back to our communities.

When you add all those puzzle pieces together, it provides a clear picture of why Peoples has grown in 2019. And we're poised for a great 2020—ready to bring you value and solutions to meet financial and growth goals and hope to become a \$1 billion asset bank during 2020.

Scott Cattanaach

President & CEO
Peoples State Bank

2020 HSA & RETIREMENT CONTRIBUTIONS

2020 Maximum Contributions Health Savings Accounts (HSA's) for individuals and families covered by high deductible health plans have higher contribution limits in 2020.

2020 HSA Maximum Contribution Limits are as follows:

- Single Coverage \$3,550 (up \$50 from 2019)
- Family Coverage \$7,100 (up \$100 from 2019)
- Both about 1.5% increase from 2019.

No change in Catch Up Contributions for eligible individuals 55+. Some changes are also implemented for retirement account contributions for 2020.

2020 Retirement Maximum Contribution Limits:

- 401(k) or 403(b) \$19,500 (up \$500 from 2019)
- Individual Retirement Accounts (IRA's) \$6,000
- Catch Up Contributions for eligible individuals 50 or older- \$1000 (making total contribution max \$7,000).

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OUR CUSTOMERS SAY IT BEST 4.43 SCORE OUT OF 5

"The staff is very friendly and willing to help. I am greeted immediately when I walk in the door and I never feel like they are too busy to give me their full attention."

"Friendly customer service, welcoming atmosphere. I can tell they care about me and our community."

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Deciding What to Do with Your 401(k) Plan When You Change Jobs

When you change jobs, you need to decide what to do with the money in your 401(k) plan. Should you leave it where it is or take it with you? Should you roll the money over into an IRA or into your new employer's retirement plan?

As you consider your options, keep in mind that one of the greatest advantages of a 401(k) plan is that it allows you to save for retirement on a tax-deferred (or in the case of Roth accounts, potentially tax-free) basis. When changing jobs, it is important to consider the continued tax-deferral of those retirement funds, and, if possible, to avoid current taxes and penalties that can eat into the amount of money you've saved.

Each retirement savings vehicle has advantages and disadvantages. Here are some points to consider:

- A traditional IRA can offer almost unlimited investment options; a 401(k) plan limits you to the investment options offered by the plan.
- A 401(k) may offer a higher level of protection from creditors.
- A 401(k) may allow you to borrow against the value of your account, depending on plan rules.

- A 401(k) plan may allow penalty-free withdrawals if you leave your job at age 55 or later. Penalty-free withdrawals are generally not available from IRAs until age 59 ½.
- You must take required minimum distributions from traditional IRAs once you reach age 70 ½. You generally don't need to take required distributions from 401(k) plans until you retire.
- Unlike Roth 401(k) accounts, you don't need to take any lifetime required minimum distributions from Roth IRAs.
- Employer stock may be eligible for more favorable tax treatment if distributed from a 401(k) plan rather than an IRA.
- Both IRAs and 401(k) plans may involve investment-related expenses or account fees. In addition, both may provide services such as investment advice, educational materials, and retirement planning. Be sure to understand what your plan provides, and what you may be giving up or gaining by transferring your funds.

Finally, no matter which option you choose, you may want to discuss your particular situation with a tax professional (as well as your plan administrator) before deciding what to do with the funds in your 401(k).

FACT VS. FICTION

We understand that it can be tricky navigating the world of personal finance. Everyone seems to have an opinion, and it can be hard to know what to believe. We created this series as a way to present and debunk some of the most common financial myths.

Fiction: I've built a large nest egg, so I don't need to worry about long-term care expenses in retirement.

Fact: Unfortunately, long-term care expenses can quickly drain even a large nest egg. Plus, Medicare and Medigap premiums, deductibles, and co-payments alone will consume a significant portion of your income. As such, addressing your health care needs in retirement requires creating a stable framework, including identifying other resources you have for funding long-term care, deciding on who could be your caregiver if needed, and investing in a long-term care policy.

Find more Financial Facts vs. Fiction at www.peoplesinvest.com

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COREY VANDERPOEL APPOINTED TO BOARD OF DIRECTORS

PSB Holdings, Inc., the holding company for Peoples State Bank, has appointed Corey Vanderpoel to the holding company and bank Board of Directors. Vanderpoel is managing director and owner of Taureau Group, LLC, a Milwaukee-

based investment bank providing merger and acquisition services to lower middle market companies throughout the Midwest.

"As we look to further expand in the Milwaukee market, we felt it beneficial to have a director

from the market with extensive knowledge of the Milwaukee business environment," said Bill Fish, chairman of PSB Holdings Inc.'s Board of Directors.

Vanderpoel has nearly 20 years of experience in mergers and

acquisitions, recapitalizations, and company sales. He has worked with clients in a variety of industries on sell-side and buy-side strategies, negotiating transactions, reviewing growth and value plans, and key business value drivers.



Peoples' Business Customers Learn About Cyber-Crime & Fraud

Nearly 100 Peoples State Bank business customers attended a Business Cyber-Crime & Fraud Protection seminar presented by Peoples at Wausau's Jefferson Street Inn. The seminar provided information designed to help business owners prevent their business from becoming a victim of cyber-crime.

Leah Nemetz, a Wausau-based FBI Agent, told the attendees about the FBI's role in investigating cyber-crimes and fraud against both businesses and individuals. She said the most recent data shows more than 6,600 cyber and fraud cases in Wisconsin, with approximately \$25 million in losses. She provided high-level information on cyber incidents with companies throughout the United States, including Wisconsin's own Milwaukee Bucks and the Medical College of Wisconsin.

Leif Christianson, director of operations for Locknet Managed IT Services, a division of EO Johnson provided information on security awareness training and how important it is for all businesses to have programs in place to educate their staff. Jacob Hale, chief operations officer for Dirks Group shared information on how businesses can set up strong password systems including multi-factor authentication. Gayle Boettcher, who leads the Peoples State Bank Treasury Management team shared real-life cases of attempted fraud against central Wisconsin businesses.

Peoples encourages everyone—from a personal and a business perspective—to stay vigilant, put policies in place to protect your computers and networks, and reach out to experts for assistance when needed.

Meet Dan Keck



DAN KECK

If you've seen one of the Peoples State Bank commercials, you may have wondered who the man is saying such nice things about Peoples. Dan Keck is a Rhinelander businessman seen in the commercial. Last year, Keck agreed to be the focus of a Peoples video honoring veterans for their service.

Keck is a retired Army National Guard soldier and owns Keck Construction. He served in the Iraq War, building housing and other buildings for the soldiers. He spent time in Iraq with Craig Lau, Peoples State Bank's northern market president. "Craig was in Iraq with me. I built Craig's house before we went to Iraq," said Keck.

"You have to have trust to do business with a person. You get treated with respect at Peoples. It's just a great bank to deal with," added Keck.

Look for a new television commercial to begin airing in the upcoming months, featuring another local Peoples customer.

SHOP LOCAL



PAW HEALTH NETWORK

Serve the patient. These words can be heard around our clinic, in our planning meetings and in everything we do at PAW Health Network. It is why we show up every day, seeking to improve the lives of our patients, our staff, and those that we share this great industry with. Combine this with a focus on education and local influence, and you have PAW Health Network, 24 Hour Animal Care Center.

PAW Health Network
1420 Kronenwetter Drive
Mosinee, WI 54455
715-693-6934

Hours of Operation:
24 Hours Per Day
7 Days Per Week

Want to promote your business in PeoplesTalk?
Email us at etalk@bankpeoples.com



■ Military Care Package Drive Another Success

Peoples State Bank customers, employees, and the general public were generous again in 2019 for the annual Peoples military care package drive. More than 7,500 items and \$1,348 in cash were dropped off at eight Peoples State Bank locations through north and central Wisconsin.

The donations were given to the Rhinelander Military Support Group, which creates care packages to send to active military members from Wisconsin who are stationed overseas, and to veterans throughout Wisconsin who need a bit of assistance.

“Thank you, thank you,” said LeRoy Eades, of the Rhinelander Military Support Group. “We know from the cards and letters we receive back, the soldiers and veterans really appreciate everything that is donated and sent to them.”

“The donations of our customers and employees are only a token of our appreciation but expressed to remind our soldiers and veterans we are thinking of them at this time of the year,” said President and CEO Scott Cattanach of Peoples State Bank.

UPCOMING EVENTS

JANUARY 3 – APRIL 4

30th Annual Midwest Seasons Exhibit- Center for Visual Arts, Wausau

JANUARY 10 – 12

Vintage World Championship Snowmobile Derby- 1311 N Railroad St, Eagle River

JANUARY 17 - 19

World Championship Snowmobile Derby- 1311 N Railroad St, Eagle River

JANUARY 10

Luminary Snowshoe Walk- Monk Botanical Gardens, Wausau; 6:00pm-8:00pm

JANUARY 25

Winter Fest- 400 Block, Wausau; 10:00am-3:00pm

FEBRUARY 8 – 9

Wausau Antique Show & Sale- DC Everest Sr. High School (Greenheck Field House), Weston; Saturday 9:00am-5:00pm & Sunday 10:00am-4:00pm

FEBRUARY 8

22nd Annual Ice Cold Beer Festival- Campanile Center for the Arts, Minocqua; 1:00pm – 4:30pm. *Tickets required*

JILL'S LOADED CHEESY POTATO CASSEROLE

DIRECTIONS

1. Fry up the ground meat and drain the grease.
2. Cut the bacon into little pieces about 1 inch and fry (I use kitchen shears to cut it, much easier). Drain grease.
3. In large bowl mix potato soup, hash browns, sour cream, onion, 1 bag of cheese, salt & pepper and chives. Then mix in the bacon and meat.
4. Spray 9x13" baking dish and pour your mixture in. Sprinkle remaining bag of cheese on the top.
5. Bake at 350° for 40 mins.
6. Take out, sprinkle the can of durkee onions on top and bake another 5 mins.

Recipe by Jill McDonald

INGREDIENTS

- 1lb bacon
- 1lb ground meat
- 2 packages of (8 oz)of shredded cheddar cheese
- 1 8oz container of sour cream
- 1 family size can of cream of potato soup or 2 smaller cans if you can't find
- 1 bag Simply Potatoes® O'Brien Style Hash Browns (I think these work better than frozen)
- 1 small onion chopped and 1/4c chives
- Salt and pepper to taste but if you use the O'Brien mix it already has good flavor
- 1 can Durkee French Fried Onions