

**EGYPTIAN ELECTRIC COOPERATIVE ASSOCIATION  
POLICY BULLETIN NO. 108**

**SUBJECT: GENERAL RETIREMENT OF CAPITAL CREDITS**

**I. OBJECTIVE**

To establish the governing procedures for the retirement of Capital Credits.

**II. POLICY**

The retirement of Capital credits shall be governed by Article VII of the Cooperative bylaws.

**III. GENERAL RETIREMENTS**

Capital shall be credited to the account of each member on the books of the Cooperative pursuant to written instructions from the member, or the member's successor(s) in interest, unless the Board of Directors, acting under policies of general application, shall determine otherwise. The Board of Directors, on an annual basis, shall determine if the financial condition of the Cooperative will not be impaired by further retirements of capital credits.

All amounts owed by the member to the Cooperative which are past due shall be deducted from the capital credit payment payable to the member at the time of any retirement of capital.

No capital credit refund will be issued to members with an inactive account for amounts less than \$50.00 unless it is the final payment of capital credits on an account. Otherwise, amounts that are less than \$50.00 and are declared payable, will be carried forward and will be refunded when the accumulated amount to be paid during a retirement of capital credits exceeds \$50.00.

In the instance of capital credits payable in an amount less than \$500.00 to members with an active account, a payout may be applied in the form of a bill credit at the Cooperative's discretion.

The capital credits to be paid shall not include those allocated to the cooperative by Southern Illinois Power Cooperative.

**IV. ESTATE RETIREMENTS**

The Board of Directors shall, at its discretion, have the power to allow early retirements in the event of the death of a member.

Upon the death of a member having an individual account, the account shall be closed, and the retirement process initiated. A Small Estate Affidavit (non-probate administration) or Letters of Office (probate administration) shall be provided to Egyptian Electric Cooperative to process a capital credit estate retirement to be paid out pursuant to the appropriate Estate documentation. In the event a member account has on file with the Cooperative a beneficiary designation, the capital credit estate retirement payment will automatically be made to the designated beneficiary or beneficiaries as designated by the member without regard to Estate documentation.

Members may apply for and hold a joint membership in accordance with the terms of Article I, Section 1.04 of the Cooperative Bylaws. If an applicant is already a member, their account shall be converted from a sole membership to a joint membership, carrying the capital

credits to the joint membership. Upon the death of one or more joint members, the last surviving member shall automatically become a sole member. An estate retirement will be processed on the death of the last surviving member.

Early capital credit retirements will be discounted to present value in accordance with current policies. Payments to estates of deceased natural persons, dying after December 31, 1992, made ahead of schedule will be discounted to present value. Retirement of estates must be approved by the Board of Directors and will be made on a 7% annual discounted basis. The capital credits to be refunded shall not include those allocated to the cooperative by Southern Illinois Power Cooperative.

**V. RESPONSIBILITY**

It shall be the responsibility of the General Manager, with guidance from the Board of Directors, to execute this policy.

Adopted: 6/23/92  
Revised: 9/29/2009  
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Revised: 03/28/2023  
Revised: 05/28/2024

Attested: *Raymond Mulholland*, Secretary

Attested: Kevin Liefer, Secretary

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Attested: Randall Campbell, Secretary

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