



**Adams-Columbia  
Electric Cooperative**

**BOARD  
POLICY**

**ADOPTED:** 03/07/63  
**REVISED:** 03/23/16  
**REVIEWED:** 12/20/16

**PAYMENT/ASSIGNMENT OF PATRONAGE CAPITAL  
#8-2 BELONGING TO DECEASED MEMBERS**

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**OBJECTIVE:** To assure that patronage capital belonging to a deceased member is properly distributed to the heirs of the deceased.

**POLICY:** Adams-Columbia Electric Cooperative will pay to the heirs of any deceased person, who was a natural person, the present value or full book value of the total patronage capital that has been allocated on the books that the deceased member has accumulated at the time of death, or where patronage capital was accumulated under joint tenancy or tenancy in common, that portion of the patronage capital properly belonging to the deceased.

The patronage capital payable to the designated beneficiary of such deceased person shall be computed on the basis of its value at the time of the request for payment. The Board of Directors shall periodically determine the discount rate for determining the present value of deceased member's patronage capital taking into consideration the current cost of equity and capital to the Cooperative, investment and long-term loan (20 year for example) interest rates, rate of return on equity, rate of growth in capitalization, and other factors.

Table A represents the amount of discount applied to the corresponding year in which the patronage capital was accumulated.

The Cooperative shall have a security interest in all patronage capital. Any indebtedness to the Cooperative shall be deducted from the deceased patron's patronage capital before, or at the time of, the patronage capital retirement.

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PROCEDURE: When application has been made for the retirement of a deceased member's patronage capital, the applicant will be provided with the appropriate form and follow the procedures identified in Administrative Policy #47.

RESPONSIBILITY: Board of Directors, Chief Executive Officer

REFERENCE: Administrative Policy #47

ATTESTED: s/ Cheri Gibeaut  
Secretary

**TABLE A**  
**January 1, 2017**

<u>YEAR OF ACCUMULATION</u>	<u>PRESENT VALUE (PERCENT)</u>
Previous to 1996	1.000000
1996	1.000000
1997	1.000000
1998	1.000000
1999	0.934579
2000	0.873439
2001	0.816298
2002	0.762895
2003	0.712986
2004	0.666342
2005	0.622750
2006	0.582009
2007	0.543934
2008	0.508349
2009	0.475093
2010	0.444012
2011	0.414964
2012	0.387817
2013	0.362446
2014	0.338735
2015	0.316574
2016	0.295864
2017 (for any current year amounts)	0.276508

The table above provides the factor to be used, based upon the value of money chosen for the cooperative discounting plan. These factors are applied to the amounts of patronage capital allocated to a patron for the year in question.