



**Adams-Columbia
Electric Cooperative**

BOARD POLICY

ADOPTED: 03/07/63

REVISED: 12/20/17

REVIEWED: 12/20/17

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

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 annually approve the discount rate for determining the present value of deceased member's patronage capital, setting the rate using CFC's 20-year rate as of December 15th (or the first business day following a weekend/holiday) plus 1 percent.

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.

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

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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, 2018

<u>YEAR OF ACCUMULATION</u>	<u>PROPOSED NEW VALUE</u>
Previous to 1997	1.000
1997	1.000
1998	1.000
1999	1.000
2000	.9403
2001	.8841
2002	.8314
2003	.7817
2004	.7350
2005	.6912
2006	.6499
2007	.6111
2008	.5746
2009	.5403
2010	.5080
2011	.4777
2012	.4492
2013	.4224
2014	.3971
2015	.3734
2016	.3511
2017	.3302
2018 (for any current year amounts)	.3104

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.