

Dear Claimant:

Please find below instructions to assist you in applying for the return of Henry County REMC Estate Capital Credits.

Application Instructions – No Estate but has a Living Trust or Last Will & Testament

1. Fill in information on all two (2) pages of the application. The application must be notarized, please do not sign the application until you are in the presence of a notary.
 - a. Most banks will notarize paperwork if you have an account with them. We can assist you with notarizing your application if you sign the document in our presence.
2. Fill in the contact information sheet, so that if we have questions we will have a way to reach you.
3. A copy of ALL or part of The Living Trust Agreement. We need at least the page naming the trustee, how to distribute funds page and signature page.
4. A copy of the death certificate is required for our records.
5. A copy of your driver's license or a photo ID is required for our records.

If you have all 5 documents complete and the application is signed and notarized you may return the application by mail in the pre-addressed envelope or drop the envelope in our night box. If you need your application notarized and you have all other documentation you may bring the documents to our office.

Please allow 4 to 6 weeks for processing of funds. All checks will be made out to the Estate of XXXXXXXXXXXXXXXX, YYYYYYYYYYYY as personal representative.

If you have any questions please feel free to give us a call.

Sincerely,
Henry County REMC

**APPLICATION FOR PAYMENT OF HENRY COUNTY REMC
CAPITAL CREDIT ACCOUNT OF DECEASED PERSON**

WHEREAS, Henry County REMC, hereinafter called Henry County REMC has a capital credit account credited to _____, whose death occurred on the _____ day of _____, _____, a resident of _____ County, _____ State; and

WHEREAS, under current bylaws and policies as determined by the Board of Directors of Henry County REMC, may pay capital credit accounts of persons, who are deceased:

NOW THEREFORE, the undersigned person represents that he/she is the person legally entitled thereto by reason of the following facts: (**check one**)

- 1. Personal Representative of the Estate of the Decedent, **which is currently open**, (copy of current letters of administration or letters testamentary attached).
- 2. Where the decedent's solvent estate has been administered upon and closed, but this asset was not collected.
- 3. Person where no administration of the estate has been held or contemplated. I am entitled to the payment of said asset all as provided under I.C.29-1-8-1 and 2 (this method is usable only when the gross probate estate, wherever located, less liens and encumbrances, does not exceed \$50,000.00). (**See Small Estate Affidavit**).
- 4. The claim is being made pursuant to the terms of a living trust. Written verification of the existence of the living trust will be provided to Henry County REMC.

The undersigned person does hereby request Henry County REMC to pay to him/her the asset as recorded in Henry County REMC capital credit allocation records, and I agree to accept the amount according to the current Henry County REMC estate bylaws as payment in full of the capital credit account due the decedent. By completing and signing this form, I am stating that I am a legal heir and entitled to receive these assets. As the Henry County REMC will only issue one check per estate, ***I will be responsible for distributing any other heir's portions.***

The undersigned represents the above statements are true and correct. The undersigned acknowledges that Henry County REMC shall and does rely upon the representations contained herein as being true and correct. The undersigned agrees to indemnify and hold Henry County REMC harmless on all claims, damages and reasonable attorney fees for any misstatement of any fact made herein.

Capital credits allocations and payments shall be subject to the authority of the board of Directors of the Henry County REMC. The board may amend it policies and procedures for the payment of capital credits from time to time as circumstances merit. This Application is made subject to the policies and procedures as established from time to time by the board. The undersigned understands that if the board of determines that the payment of the capital credit account cannot now be made without impairing the financial condition of Henry County REMC, that such payment will be made as soon as it can be paid without such impairment, and in the order of priority in which such agreements are made with Henry County REMC, before any other retirements are made. **Please sign in the presence of a Notary.**

X _____

Signature

(Address)

STATE OF INDIANA _____ COUNTY, SS:

Subscribed and sworn to before me a Notary Public in and for said county and state, the above stated person personally appeared before me and freely and fully acknowledged the execution of this document on the date set forth as follows:

Date: _____

Printed Name: _____

A Resident of _____ County, Indiana

My Commission Expires:



CONTACT INFORMATION SHEET

201 N. 6th Street, P.O. Box D
New Castle, In 47362
800-248-8413

Today's Date: _____

Deceased Members Name: _____

Date of Death: _____

REMC Account number: _____

Address that the REMC account was at: _____

Name of Person making application: _____

Mailing Address: _____

Phone Number(s): _____

E-mail Address (if applicable): _____

**Henry County REMC
Capital Credits
Questions and Answers**

The Henry County REMC Board of Directors and management have been working on a plan to return capital credits estates and general capital credits for the past two years. The REMC will be starting a capital credit estates retirement program starting Spring 2013.

What are capital credits?

When you sign up for an electric service from REMC, you become a member – and owner – of the cooperative. While investor-owned utilities return a portion of any profits (margins) back to their investors, electric cooperatives operate on a not-for-profit basis. So instead of returning profits (margins) to investors, REMC’s periodically retire capital credits.

Where does the money come from?

Member-owned, not-for-profit electric utilities like Henry County REMC set rates to generate enough money to pay operating costs. At the end of each calendar year, we subtract operating expenses from the total amount of money collected during the year. The balance is called a “margin”.

How are capital credits allocated to REMC members?

Margins left over at the end of the year at a not-for-profit electric cooperative are allocated to the REMC members. Henry County REMC allocates margins to its members based on the quantity of kilowatt hours purchased. REMC keeps an accounting of each member’s share for each year.

Will capital credits be refunded every year?

Each year the Henry County REMC Board of Directors will make a decision on whether to retire capital credits and how much based on the financial health of the cooperative. Each year the Board of Directors will determine an amount to be designated in the yearly budget for the purpose of capital credit estate payments and general capital credit retirements.

How do I claim a capital credit for an estate?

A specific procedure has been put in place to assist you in claiming a capital credit for an estate. You can stop by the office and pick up an application package, call to request a package be mailed to your home or print the necessary paperwork and instructions from our website.

Will Henry County be refunding capital credits at a discounted amount?

Retention of Capital Credits is necessary to maintain an adequate financial position in any cooperative. Any refund of capital credits prior to 30 years will be discounted at a rate according to the current policy. Capital credits allocated more than 30 years ago will be refunded on a full “dollar for dollar” basis.

(over)

Why are some capital credits being discounted?

The Henry County REMC Board of Directors is considering a system where capital credits would be returned after approximately 30 years, which is about how long we depreciate electrical plant, which is the primary use of capital credits. In the interest of fairness to all members, the estate retirements refunded earlier than this 30-year cycle are being discounted. The discounted amount of the capital credits less than 30 years old reflects their net present value compared to receiving them at a later date. The smaller amount received today, if invested until the normal retirement date, would be equal to the normal retirement amount. Many people compare this to state lotteries where you can take a lump sum or you can take payments over 20 years.

Does Henry County REMC have a rotation cycle for general retirement of capital credits?

It is the goal of Henry County REMC to make general retirements of capital credits on a 30 year basis. Financial conditions will determine when REMC can begin general retirements.

Who is eligible to apply for capital credit retirements?

You must be a legal heir and provide the proper documentation requested through the application process. Refunds will be processed on a first come, first served basis until the year's budget has been depleted. Those applications received after the budget has been depleted will be processed in the order they were received when the next year's budget begins.

Is the capital credit check considered income and will I be taxed?

In most cases, your capital credit check is not taxable unless electricity is claimed as a business expense. We suggest that you consult with your tax advisor regarding the appropriate tax treatment of your individual capital credit check.



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