

Capital Credits – Frequently Asked Questions

Why is Parke County REMC refunding people money?

One of the biggest benefits of being a cooperative is that our members, including you, are also our owners! As a cooperative, our margins – stay within the co-op membership rather than being given to investors.

We use our annual margin to fund infrastructure improvements to ensure that we can continue to provide safe, reliable electricity. Because of this long-term planning, we have created a strong foundation for the future and can start refunding (or retiring) capital credits, which are margins that are provided to member-owners.

How are capital credits determined?

Capital credit allocations are each member's share of the margins as calculated by Parke County REMC for the year that is being refunded. The capital credit total is based on the amount each member, including you, contributed that year in your monthly bill. The sum of your monthly bills for the year is multiplied by a predetermined percentage of the margin to determine your capital credit allocation. Capital credits will vary based on Parke County REMC's margin for the year that is refunded.

How does Parke County REMC determine who receives capital credits?

We are starting with our earliest capital credits. This fall, we will start retiring capital credits from 1945-1955. Our plan is to allocate capital credits annually as our margins allow.

What about capital credits from more recent years?

We are committed to refunding all of our member-owners' capital credits. We refund previous years from our current margins; we also use this funding to maintain our infrastructure. We will continue to refund/retire capital credits while ensuring that we are well-positioned to continuously provide low-cost, reliable electricity to the membership. The Parke County REMC board of directors will review our margins annually to determine how to proceed with retiring/refunding capital credits.

What is the capital credit refund process?

Current member-owners receiving a capital credit refund will receive this in one of two ways:

- If the credit is less than \$100, you will see a credit added to your statement.
- If your capital credit refund is more than \$100, you will receive a check instead of a bill credit.

What happens to capital credits of members who are deceased?

The capital credits of a deceased member can be paid to the heir of the deceased member's estate. Please call a member of Parke County REMC's Capital Credits Team to discuss more. Various documents will be required by the estate representative to be filed with Parke County REMC:

- Affidavit for Payment of Capital Credit (form provided by Parke County REMC)
- A valid state-issued ID/Driver's License of the representative or affiant
- IRS W-9 form if refund exceeds \$600 (form provided by Parke County REMC)

I am a former cooperative member. Am I eligible for a capital credit refund?

You are eligible for a capital credit refund only if you were a member during the years that are being refunded. You may become eligible for a refund when we retire/refund capital credits for the years when you were a member.

I am eligible for a capital credits refund. What do I need to do to ensure I get the refund?

If you are a current member still receiving your electricity from Parke County REMC, there is nothing you have to do. If the refund is under \$100, you will receive a bill credit; otherwise, you will receive a check in October for the amount of your capital credit refund.

If you are no longer a current member but are eligible for a capital credit refund, you must contact the Parke County REMC Capital Credits Team and provide your current mailing address so that we can send your capital credits refund check.

I am not sure if I am eligible to receive a capital credit refund. Is there any place to check information?

You can visit our website at www.pcremc.com for more information about the capital credits process. We also have included on our website a current list of members who are due to receive capital credit refunds, but their current address is unknown.

Who should I contact if I have any questions?

If you have any questions, please contact a member of our Parke County REMC Capital Credits Team at 765.569.3133 or 800.537.3913. More information also can be found on our website at www.pcremc.com.