A new, convenient way to receive capital credits

At Butler Rural Electric Cooperative, we're always looking for ways we can make your life easier. That's why we're making an important change to the way we distribute capital credits.

Beginning this year, capital credits will be automatically applied as a credit to your electric bill. This change will make the process simpler while putting the value of your cooperative membership directly toward your electric bill.

What are capital credits?

As a member-owned cooperative, Butler Rural Electric operates differently from investor-owned utilities. Any margins generated by the cooperative are allocated to members in the form of capital credits. Unretired capital credits, or "equity" of the cooperative, serve a vital function – allowing the cooperative to operate economically and effectively while investing in the infrastructure necessary to meet the needs of members. Over time, capital credits are returned to members as the cooperative's financial position allows.

Capital credits are one of the ways your cooperative puts money back in the hands of those we serve. They are a tangible reminder that you are more than a customer — you're a member of Butler Rural Electric Cooperative.

This year, we will distribute $1.7 million in capital credits to current and former members. The average residential member will receive $150 in capital credits this year.

A simpler way to receive capital credits

Under this new process, members will no longer have to wait for a capital credits check to arrive in the mail. Instead, capital credits will automatically appear as a credit on your electric bill.

If your capital credits amount is over $20 and you prefer to receive a capital credits check in the mail, do one of the following by October 20:

- Visit butlerrural.coop and click on "Capital Credits" on the home page.
- E-mail capitalcredits@butlerrural.coop and provide your name, customer number, and capital credits amount. This information is listed on the notice of capital credits retirement included with your October bill. If you would like to automatically receive your capital credits check each year by mail, please let us know in your message.
- Call 513-867-4400 Monday through Friday, 7:30 a.m. to 4:30 p.m.

What this means for you

This change does not alter the amount of capital credits you receive. It simply changes how you receive them. You will continue to see the value of your cooperative membership returned to you — now in a way that is automatic and convenient.

What's changing

Previously: Members received capital credits as mailed checks, unless they chose to receive a bill credit.

Now: Members will see capital credits as automatic credits on their electric bills. If you prefer to receive a check, you still have that option.

When and how members will see capital credits

Capital credits will show as credits on bills generated Nov. 4. Future capital credits will continue to be paid as bill credits, unless you choose to receive a check.

Why we're making this change

- **Convenience:** Automatic bill credit
- **Security:** No risk of lost or stolen checks.
- **Efficiency:** Saves money on printing and postage.
- **Effectiveness:** Removes the possibility of mail issues and eliminates unclaimed or uncashed checks.

Capital credits and your estate: Understanding your options

Butler Rural Electric Cooperative's board of trustees have modernized the cooperative's capital credits process to compassionately handle the accounts of deceased members. This change gives members two options for how capital credits are handled after death. The method you choose affects who receives your capital credits and when they are paid. Understanding and exploring these options is important.

Capital credits and unpaid balances

Before capital credits can be paid, any outstanding balance on a member's account must be paid. If the account is not paid in full, the capital credits will be held against the debt. Any outstanding debts will have capital credits applied to them at a net present value. The amount will be calculated to the net present value based on the current number of years in the retirement cycle.

What happens if no one claims your capital credits after you die?

Unclaimed capital credits of deceased members are subject to forfeiture just as general retirement capital credits are. It's a good idea to mention to those who will be responsible for your affairs that you are a Butler Rural Electric Cooperative member and there could be capital credits among your assets to be claimed.

Questions about capital credits and your estate?

If you have questions regarding the various methods of handling capital credits at death, please contact us at 513-867-4400 Monday through Friday, 7:30 a.m. to 4:30 p.m.

Option 1: Estate retirement

With this option, capital credits will be paid to the probated estate of the deceased member. In this case, the estate will receive capital credits at a net present value. The amount will be calculated to the net present value based on the current number of years in the retirement cycle.

Option 2: Transfer on Death (TOD) Beneficiary

To avoid the estate process, you can opt to designate a primary beneficiary to receive your capital credits. Upon death, capital credits will be assigned to the designee's account and be treated as patronage capital subject to the same general retirement cycle for all cooperative members. This helps ensure your capital credits are handled according to your wishes in the future.

TOD forms must be signed by the current member and notarized. Fill out and print the TOD form at butlerrural.coop and return it to our office. Forms are also available at the cooperative's office. Butler Rural Electric Cooperative has notaries available at our office.

You can change designated beneficiaries by filing a new form and can cancel a TOD form by notifying the cooperative. It is the member's responsibility to keep the information on the TOD form current. This includes the mailing address for the beneficiary. A power of attorney representative cannot file a TOD form to themselves.

Butler Rural Electric Cooperative, Inc.
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