

# JAMUP

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Your Touchstone Energy® Partner 

## What are capital credits?

**C**apital credits are a benefit to belonging to a cooperative. You, and every member who receives electric service from Southern Illinois Electric Cooperative (SIEC) own part of the co-op.

Like all businesses, SIEC earns revenue and pays expenses. The difference between revenue earned and expenses incurred is called profit for most businesses. But for cooperatives, like SIEC, this difference is called margins. Because SIEC is a non-profit utility, SIEC returns positive margins to members at a later time based on a decision by the board of directors to retire allocated capital credits. Thus, capital credits represent your share of SIEC's margins as well as your ownership of the co-op. Here's how they work...

- **Allocation:** Each year, members are allocated the previous year's margins based on the amount of electricity purchased in relation to the total amount of electricity purchased by all members. An allocation is issued by the board of directors. An allocation represents the member's share of ownership in a nonprofit, member-owned cooperative.
- **Retirement:** The margin allocations accumulate over time in the member's name. They are periodically retired (refunded) when directed by the board

of directors based on the financial condition of SIEC.

### Frequently Asked Questions

**1. What happens to a member's capital credit if the member no longer has an account with SIEC?**

A member who terminates service no longer receives additional capital credit allocations. The balance in the member's capital credit account is maintained until it is retired in full.

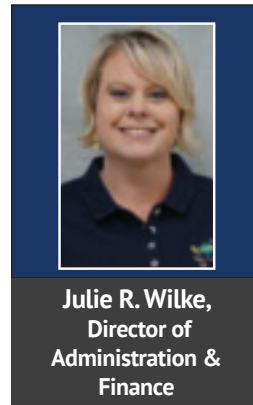
It is the member's responsibility to notify SIEC of any address changes so that the member can be located when it is time to retire capital credits allocated to the member's account. Even if you are no longer on the SIEC system, please keep your contact information current. Remember, a member's capital credits are their ownership of SIEC. Thus, this ownership is an asset that belongs to the member.

**2. What happens to a member's capital credits if the member dies?**

Capital credits earned by a deceased member are paid to the member's estate. To assist the member's heirs in closing the estate, SIEC offers a special capital retirement of the outstanding balance of the deceased member's capital credit account at a discounted rate.

**3. Why are some capital credit retirements discounted?**

In the interest of fairness to all



members, SIEC discounts special retirements to estates to reflect the net present value of making a capital credit retirement now that would otherwise be paid later. The smaller amount received today, if invested

until the normal retirement date, would be equal to the normal retirement amount.

**4. I have an account that is in my deceased parent's names. Should I obtain membership in my name?**

Yes. A membership is required by the person who is receiving electric service. Also, when you obtain a membership in your name, you will be able to retire the deceased parent's capital credit account (see previous frequently asked question).

**5. Does the member have to report capital credits on tax returns?**

Capital credits are a return of money paid for electricity in a previous year and are generally not taxable income for residential consumers. Commercial and industrial consumers should discuss any capital credit retirements with their tax advisers.

If you would like to know additional details about capital credits, please do not hesitate to contact our office at 618-827-3555.

# We're thankful for your membership

*"Feeling gratitude and not expressing it is like wrapping a present and not giving it."*

In the spirit of this quote by author William Arthur Ward, we'd like to take this opportunity to express our gratitude for your membership in our electric cooperative. Because of your connection to Southern Illinois Electric Cooperative (SIEC), we can make our community a better place.

Generally, this space is used to provide updates on new projects, developments and reports on the progress of ongoing initiatives. We share these updates so our member-owners have a window into our priorities, progress and challenges. However, during this season of giving thanks, it's equally important to let you and other member-owners know just what an impact you have on our co-op and the greater community, likely in ways you may not even realize.

As part of the cooperative business model, one of our core principles is "Concern for Community." While our priority is always to provide safe, reliable and affordable energy, we view our role in the community as a catalyst for good.

We work closely with our local schools to provide safety

demonstrations, award college scholarships and participate in the annual Youth Tour where we take our community's brightest young people to Washington, D.C. for a weeklong trip to experience democracy in action. The trip is inspirational for many students, and we are both humbled and honored to be a part of this leadership development journey. Ultimately, the larger community benefits from these programs because of you! You empower the co-op through your membership and through your participation in and support of these programs.

When you attend co-op events, alert us to problems and provide suggestions to our employees, you help us improve operations and thereby better serve the larger co-op membership.

Because we are locally governed by members of our community, we can get a first-hand perspective on community priorities, thereby enabling us to make more informed decisions on long-term investments.

We are thankful that our co-op board members attend important training sessions, participate in

planning meetings and keep abreast of industry trends. This investment in time results in better informed advisors that serve the co-op's interests in a way that our member-owners expect and deserve.

On a more personal note, we appreciate the countless acts of kindness our lineworkers and other employees receive when working in severe weather and dangerous conditions. Our employees are thankful for your patience and consideration when we are trying to restore power during challenging situations and prolonged periods.

SIEC was originally established 80 years ago to bring electricity to our area when no one else would. The cooperative is a reflection of our local community and its evolving needs. Together, let's continue making our corner of the world a better place. We can't do it without you, our member-owners!

Happy Thanksgiving from all of us here at Southern Illinois Electric Cooperative.

## Energy Efficiency Tip of the Month

Got holiday leftovers? When possible, use the microwave to reheat food. Microwaves use as much as 80 percent less energy than a standard oven.

Source: [energy.gov](http://energy.gov)



### SIEC Board of Directors

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**For Outages Call:**  
**800-762-1400 • 618-827-3555**

# ZONE IN ON SAFETY

Distracted driving and electrical safety are connected.

Utility crews often work in an office with a 55-mile-per-hour speed limit and heavy traffic. Hit a utility truck and the lineman in the bucket could be pushed into a high voltage line. Kill or injure a lineman and you could pay a large fine and go to prison.

If you run off the road, you could hit a power pole. Bring down a live power line and it's another layer of electrical danger – to YOU and anyone in the area.

See the video at

 Safe  
Electricity.org

# TWELVE IEC MEMORIAL SCHOLARSHIPS AVAILABLE FOR 2019

**S**outhern Illinois Electric Cooperative (SIEC) has announced that Illinois electric cooperatives will award 11 academic scholarships worth \$2,000 each to high school seniors. These memorial scholarships were designed to financially assist deserving students in the “electric cooperative family.” In addition, a 12th scholarship will be offered to assist with costs in attending lineworker school. **Paul Hamle**

Six scholarships will be awarded to high school seniors who are the sons or daughters of an Illinois electric cooperative member receiving service from the co-op. A seventh scholarship, the Earl W. Struck Memorial Scholarship, will be awarded to a student who is the son or daughter of an Illinois electric cooperative employee or director. Four additional scholarships are reserved for students enrolling full-time at a two-year Illinois community college who are the sons or daughters of Illinois electric cooperative members, employees or directors.

The 12th scholarship, the LaVern and Nola McEntire Lineworker Scholarship, will award a \$2,000 scholarship to help pay for costs to attend lineworker’s

school conducted by the Association of Illinois Electric Cooperatives in conjunction with Lincoln Land Community College, Springfield, Ill. Sons and daughters of co-op members, relatives of co-op employees or directors, and individuals who have served or are serving in the armed forces or National Guard are eligible for the lineworker’s scholarship.

For more information regarding the scholarships, visit [aiec.coop/iec-scholarship/](http://aiec.coop/iec-scholarship/). **Deadline to apply is Dec. 31, 2018.**



## Southern Illinois Electric Cooperative

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• Office hours:  
 8 a.m. – 4 p.m.  
 Web address:  
[www.siec.coop](http://www.siec.coop)

## Member prize

In this issue of the JAMUP, we printed the names of three SIEC members who are eligible to receive a \$10 credit toward their utility bill. If you find your name printed in this center section and it’s not part of the story, call Bree with your account number at **800-762-1400** to claim your prize.