

CAPITAL CREDIT ESTATE RETIREMENT

FORMS and INSTRUCTIONS



NAVOPACHE ELECTRIC COOPERATIVE

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Navopache Electric Cooperative, Inc. Bylaws provide for the early retirement of Capital Credits upon the death of an NEC Member, provided that the request is made in writing by a duly authorized representative of the deceased Member's estate. This packet contains, instructions and forms for the heir to the estate of an NEC Member to provide the documentation necessary to receive payment of, or donate Capital Credits, at the present discounted value.

Please read carefully through this packet to determine which scenario applies to your situation and the appropriate form to complete and submit to NEC. NEC will not accept a form that has been altered or modified.

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NOTICE: NEC employees do not provide legal advice. Please consult an attorney if you need legal assistance to determine your right to the Capital Credits of the deceased NEC Member.

FORMS AND DOCUMENTS TO RECEIVE CAPITAL CREDITS FROM A DECEASED INDIVIDUAL'S NEC MEMBERSHIP

If Probate Is Currently Open or Was Closed Within the 12-months Prior to Claiming Capital Credits

- Complete and submit to NEC the **Claiming Capital Credits via Probate** affidavit
- Submit a photocopy of the deceased Member's Death Certificate
- Submit a photocopy, front and back, of the Letters Testamentary (Personal Representative or Executor of Estate court appointment) for the deceased Member's estate
- All payments will be made to the Estate of [Deceased Member]

If Surviving Spouse's Name Is on the NEC Account As a Participant in a Joint Membership

- Complete, notarize and submit to NEC the **Surviving Joint Member Affidavit for Collecting Capital Credits**
- Submit a photocopy of the deceased joint Member's Death Certificate

If You Are an Heir to the Deceased Member Entitled to Receive Capital Credits

- Complete, notarize and submit to NEC the **Affidavit for Collecting Capital Credits**, if the following apply:
 - ✓ **The value of all of the *personal property* in the deceased's estate, wherever that property is located, less liens and encumbrances, does not exceed \$75,000, and at least 30 days have passed since the death, AND**
 - ✓ **You are entitled to the personal property, and have the legal right ("legal standing") to submit an affidavit claiming the property because:**
 - **You are named in a Will** to receive the property, **OR**
 - **The person who died *did not have a Will***, but you are entitled to the Capital Credits because you are:
 1. **A Surviving Spouse, OR**
 2. **A Child, if there is no surviving spouse – or there is a surviving spouse, but he or she is not your parent and your parent, the deceased Member had separate or community property, OR**
 3. **A Parent, if there is no surviving spouse or child, OR**
 4. **A Brother or Sister, if there is no surviving spouse or child or parent, OR**
 5. **You are the Sole Heir**, as determined by law.
 - **You are one of multiple heirs**, and if there are people with equal or greater right than you to the Capital Credits, they have all assigned their entire interests in the Capital Credits to you, as evidenced by the notarized documents you submit to NEC.
- Submit a photocopy of the deceased joint Member's Death Certificate



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Member#	Processed By/Date
	<i>For Office Use Only</i>

CLAIMING CAPITAL CREDITS VIA PROBATE

By signing this form, I swear or affirm under penalty of perjury that its contents are true and correct.

1. INFORMATION ABOUT THE DECEASED MEMBER: Death certificate attached to form.

Name of Deceased Member: _____

2. PERSONAL REPRESENTATIVE/EXECUTOR OF THE ESTATE: Letters Testamentary attached to form.

Name: _____

Phone: _____

Email: _____

3. CAPITAL CREDITS of Deceased Member will be paid at their present discounted value.

4. CHECK PAYABLE TO: I understand that check will be made payable to Estate of [Deceased Member named in Section 1.]

5. MAIL CHECK TO:

Mailing Address: _____

City, State, Zip: _____

OATH OR AFFIRMATION: The contents of this document are true and correct under penalty of perjury.

 Signature of Personal Representative/Executor of the Estate

 Date

 Printed Name of Personal Representative/Executor of the Estate

STATE OF _____

COUNTY OF _____

Subscribed and sworn to or affirmed before me this: _____ day of _____

by Affiant: _____

(notary seal)

 Notary Public



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SURVIVING JOINT MEMBER AFFIDAVIT FOR COLLECTING CAPITAL CREDITS

By signing this affidavit, I swear or affirm under penalty of perjury that its contents are true and correct.

1. INFORMATION ABOUT THE DECEASED MEMBER: Death certificate attached to Affidavit

Name of Deceased Member: _____

Date of Death: _____

2. SURVIVING JOINT MEMBER ("Affiant").

Name: _____

Mailing Address: _____

City, State, Zip: _____

Phone: _____

3. CAPITAL CREDIT REQUEST: (Initial ONE)

_____ Pay capital credits of Deceased Member to Surviving Joint Member at their present discounted value.

_____ Donate present value of capital credits of Deceased Member to: (Select **ONE**)

Operation Roundup

Scholarships for high school seniors in the NEC service area

OATH OR AFFIRMATION: The contents of this document are true and correct under penalty of perjury.

Signature of Affiant

Date

Printed Name of Affiant

STATE OF _____

COUNTY OF _____

Subscribed and sworn to or affirmed before me this: _____ day of _____

by Affiant: _____

(notary seal)

Notary Public



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AFFIDAVIT FOR COLLECTING CAPITAL CREDITS

By signing this affidavit, I swear or affirm under penalty of perjury that its contents are true and correct.

1. INFORMATION ABOUT THE DECEASED MEMBER: Death certificate attached to Affidavit

Name of Deceased Member: _____

Date of Death: _____

2. SURVIVING SPOUSE: At the time of death, Deceased Member: (Select **ONE**)

was married

Name: _____

Mailing Address: _____

City, State, Zip: _____

Phone: _____

was not married

3. INFORMATION ABOUT THE PERSON FILING TO REQUEST EARLY RETIREMENT OF CAPITAL CREDITS ("Affiant").

Name: _____

Mailing Address: _____

City, State, Zip: _____

Phone: _____

Email Address: _____

Relationship to Deceased: _____

4. 30-DAY REQUIREMENT: More than thirty (30) days have gone by since the Member died.

5. **VALUE OF PERSONAL PROPERTY.** The value of all the personal property in the deceased Member's estate, wherever located, minus the amount of liens and encumbrances on the property, is not greater than \$75,000.00.
6. **PERSONAL REPRESENTATIVE.** To the best of my knowledge, no one has filed an Application or Petition for Appointment of a Personal Representative and no Application or Petition has been granted in any state OR if an application has been granted the personal representative has been discharged or more than one year has elapsed since a closing statement has been filed and the amount does not exceed \$75,000.00.
7. **ENTITLEMENT.** I am the claiming successor to the Deceased Member's Capital Credits and I am legally entitled to them because:

(Initial EITHER A or B below)

_____ **A. Deceased Member had a Will and:**

(Initial ONE of the options below)

- _____ I am named in the will as the Sole Heir, **OR**
- _____ I am named in the will and people with equal or greater right than I have to the property have all assigned their entire interests in the estate to me, which is proven by the copy of the notarized documents they signed to this effect which are attached to this affidavit, **OR**
- _____ I am named in the will as one of multiple heirs and I attest that I will distribute to the other heirs their portion of the Capital Credits in accordance with the terms of the Deceased Member's Will.

_____ **B. Deceased Member did not have a Will, and I am entitled to the property under law because:**

(Initial ONE of the options below)

- _____ I am the surviving spouse **OR**
- _____ I am the only living child of the Deceased Member and there is not a surviving spouse **OR**
- _____ I am the only living child of the Deceased Member and there is not a surviving spouse, or there is a surviving spouse but he or she is not my parent and the deceased had separate property, **OR**
- _____ I am the parent of the Deceased Member, and there is not a surviving spouse or child, **OR**
- _____ I am a brother or sister of the Deceased Member, and there is not a surviving spouse, child or parent, **OR**
- _____ I am the sole heir to the Deceased Member's estate, **OR**
- _____ I am one of multiple heirs **AND (Initial ONE of the options below)**
- _____ the people with equal or greater right than I have to the property have all assigned their entire interests in the estate to me, which is proven by the copy of the notarized documents they signed to this effect which are attached to this affidavit, **OR**
- _____ I attest that I will distribute the other heirs their portion of the Capital Credits equally.

8. **CAPITAL CREDIT REQUEST:** By signing this affidavit, I acknowledge that the Capital Credits of the Deceased Member will be paid at their present discounted value, and:

(Initial EITHER C or D below)

_____ **C. I direct the present discounted value of the capital credits be paid to:**

Name: _____

Mailing Address: _____

City, State, Zip: _____

Phone: _____

Email Address: _____

_____ **D. I elect to donate the present discounted value of the Capital Credits to:**

(Initial ONE of the options below)

_____ Operation Roundup

_____ Scholarships for high school seniors in the NEC service area

9. This affidavit is made under Arizona Law, § 14-3971(B), Arizona Revised Statutes, for the purpose of making claim to personal property of the Deceased Member.

OATH OR AFFIRMATION: The contents of this document are true and correct under penalty of perjury.

Signature of Affiant

Date

Printed Name of Affiant

STATE OF _____

COUNTY OF _____

Subscribed and sworn to or affirmed before me this: _____ day of _____

by Affiant: _____

(notary seal)

Notary Public

CAPITAL CREDITS FREQUENTLY ASKED QUESTIONS

What are Capital Credits? Capital Credits may also be referred to as “patronage capital”. Each year’s margins are allocated to Members based on the amount billed per Member for electric purchases and the associated margin during that year. This allocation is credited to a Capital Credit account maintained for each Member until the credits are retired (paid).

Can my Capital Credit allocation be applied to my current energy bill? No. Your Capital Credit allocations for this year are new credits allocated to a Capital Credit account maintained in your name. Allocations are used as the operating capital of NEC. They are not available until a percentage is retired and refunded back to you as NEC’s financial condition warrants and the Board approves.

What does it mean to be a Member? As a Member of an electric cooperative, you build ownership in Navopache Electric Cooperative (NEC) through your kilowatt-hour purchases. There is no stock to be purchased or sold; you are an owner of the business.

What’s the difference between an allocation and a retirement? Allocations are made annually for each Member, based upon the amount of electricity purchased the previous year; these allocations are set aside into a separate account to be used as operating capital for safety and reliability improvements over a period of years. A retirement is payment of Capital Credits that have been previously allocated.

Why do I have to wait to receive payment of my Capital Credits? After the margins have been allocated, the funds are then used as capital by NEC to build and maintain the electric infrastructure used to deliver power to each Member, improving the safety and reliability of your electric service. This maintenance includes upgrading poles, wire, transformers & substations, increasing capacity and improving reliability. NEC’s Board of Directors will retire patronage capital when the Cooperative’s financial position meets the guidelines set by our lender.

What happens to my Capital Credits if I move and terminate service with NEC? Your existing Capital Credit balance will be maintained in a Capital Credit account in your name until it is retired (paid) in full. Maintaining an accurate and current mailing address with NEC for the receipt of any future payments or information concerning your Capital Credits is your responsibility.

What if I pass away before my Capital Credits are paid out? Your Capital Credits will transfer to your estate. If the Capital Credits were allocated to a joint membership, and one spouse dies, the surviving Member may receive payment of the discounted Capital Credits, after completing the necessary paperwork. If you are the sole Member, the discounted Capital Credits will be paid to your estate, after the necessary paperwork is received from your estate’s executor.