

## FREQUENTLY ASKED QUESTIONS??

### ARE ALLOCATIONS GUARANTEED EACH YEAR?

Annual allocations are contingent on the surplus earnings of the credit union. It is not necessary for the Credit union to allocate any or the entire credit union surplus to the members equity account. However, every effort will be made to make payments on an annual basis.

### ARE ALL MEMBERS OR CUSTOMERS OF THE CREDIT UNION ELIGIBLE

All **Members** of the Churchbridge Credit Union are eligible for the Allocation program. Certain accounts may not be eligible (for example tendered or special bid accounts). Non-Members **are not** eligible. In certain situations, members who have failed to meet their loan repayment obligations may be denied their Patronage Allocation payment.

### HOW DO I BECOME A MEMBER?

If you are not already a member of the Churchbridge Credit Union, all you need to do is submit your \$10.00 membership share at one of our branches.

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### WILL I EARN INTEREST ON MY MEMBER EQUITY ACCOUNT?

Interest will not be paid on member equity accounts.

### WHY NOT CHARGE LESS ON LOANS AND/OR PAY MORE ON SAVINGS & TERMS INSTEAD?

This would be ideal. However, in our fluctuating economy, few things work out exactly as planned. The Credit Union is subject to these fluctuations as the economy changes and interest rates rise and fall. Therefore, it is essential that the Credit Union build in a margin of safety to be able to handle these changes.

This program helps provide stability to earnings and yet allows the membership to share in the surplus earnings.

***Patronage Allocation  
Payouts to date total over  
\$1.7 MILLION and  
that's only 8 years worth!!***



## CHURCHBRIDGE

### CREDIT UNION

*Member Profit Sharing Program*

### CHURCHBRIDGE



Branches in:

#### Churchbridge

Phone: (306)896-2797

Fax: (306)896-2325

Teleservice: 896-1720

1-877-890-2797

#### Langenburg      MacNutt

Phone: (306)743-5212

(306)742-4222

Fax: (306)743-2908

(306)742-5850

#### Hours of Operation

Churchbridge/Langenburg

9:00 - 4:00 - Monday to Wednesday

9:00 - 5:00 - Thursday and Friday

MacNutt

9:00-4:00 – Tuesday to Friday

[www.churchbridgecu.ca](http://www.churchbridgecu.ca)

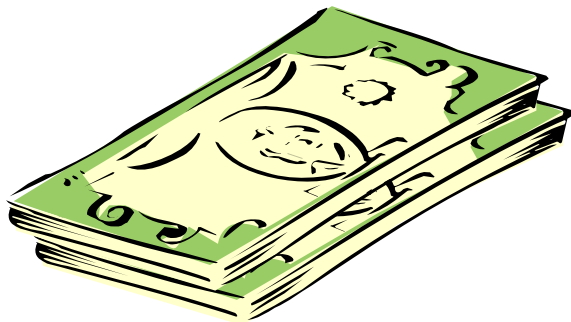
March, 2008

## CHURCHBRIDGE CREDIT UNION MEMBER PROFIT SHARING PROGRAM

The Member Profit Sharing Program is a membership benefit of the Churchbridge Credit Union. As a member you are entitled to share in the success of your Credit Union by receiving allocations of surplus earnings based on patronage. The more business you conduct at the Churchbridge Credit Union, the higher your allocation will be.

### THE PROGRAM

Annual allocations may be made by the Credit Union by virtue of a resolution of the Board of Directors, based on the financial position of the Credit Union relative to any surplus earned by the Credit Union in its fiscal year of operation. This amount will be translated into a percentage of interest earned, interest paid and month end service charges paid. A percentage of the interest you have paid year to date to the Credit Union through loans and lines of credits will be rebated to you, a percentage of interest you have earned year to date through Deposit Accounts and Term deposits will be paid to you and a percentage of the month end service charges you have paid on chequing and savings accounts will be paid to you.



## WHAT YOU WILL GET

The amount will change from year to year. Following are some examples to illustrate a few situations:

	Member A	Member B	Member C
Interest Paid on Loans	Nil	\$6,400	\$29,000
Interest earned – Savings	\$ 500	\$ 600	\$ 1,600
Term Deposit Interest	\$3,500	\$ 500	\$10,000
Total Month End Service Charges	\$ 0	\$ 120	\$ 240
Total Interest Paid/Received/Service Charges	\$4,000	\$7,620	\$40,840
Allocation of 6% results in a credit of	\$ 240	\$ 457	\$ 2,450
Allocation of 8% results in a credit of	\$ 320	\$ 609	\$ 3,267
Allocation of 10% results in a credit of	\$ 400	\$ 762	\$ 4,084

### HOW PAYMENTS WORK

Annually the Board of Directors will decide what portion of the allocation will be paid in cash and what portion will be credited to a Member's Equity Account. Estates, clubs, members over the age of 70, societies and other community organizations will be paid 100% of their allocation.

Any allocation under \$10.00 will be credited to the members account. Amounts greater than \$10.00 will be issued by cheque. Trust accounts will have their allocation credited to their account. No allocation will be received if the total allocation to the member is less than the following:

Primary Account Holders Age	Minimum Allocation
18 years & under	\$1.00
Over 18 Years	\$5.00

Once a member's equity account reaches \$15,000, any amount in excess of this amount shall be paid directly to the member. Once a member reaches the age of 70, all of the equity in excess of the \$10.00 share shall be paid directly to the member.

### OWNERSHIP/INCOME TAX

Funds deposited to your Member Equity Account shall be owned by the member, but are subject to certain withdrawal restriction.

Allocations paid on Term Deposits and Deposit accounts shall be included in the T-5 you receive on an annual basis. Allocations received on Loan interest and service charges will need to be declared by the member if applicable, it is the responsibility of the member to report this in the proper manner on their tax papers.

### WITHDRAWAL CONDITIONS

Upon closing of your accounts with the Churchbridge Credit Union you will receive immediate payment of your original \$10.00 membership share and total equity if less than \$100.00.

Members closing their membership apply for a payout on their Membership Equity on amounts over \$100. Members closing their membership and leaving the community may not receive payment of their equity for two years following closure of their membership. Members closing their membership and remaining in the community may not receive payment for five years following closure of the membership.

Upon completion of a request for withdrawal no further allocations will be added to this account.