

LCEC Equity General Retirement Information

Please click [here](#) for the basics and frequently asked questions about LCEC equity. Following are additional questions members may have regarding the general retirement of equity. LCEC is proud to be in a financial position to make a general retirement. This year's retirement brings the amount of equity returned to active and inactive members to more than \$303 million.

1) Why is LCEC making a general retirement?

LCEC is a not-for-profit cooperative utility. When annual excess revenues, or margins, are generated, the Board of Trustees considers an equity retirement. In 2020, LCEC was able to maintain a sufficient financial position, thus in 2021, the LCEC Board of Trustees approved a second-quarter retirement of \$3.6 million in equity to current and inactive members.

2) Who is eligible for an equity retirement?

All active and inactive members who have an equity account balance greater than \$0.50.

3) My account is inactive. Why didn't I receive a check this year?

If the retirement does not meet the minimum \$1.00 check amount, the retirement will stay on the account until additional retirements accumulate to a minimum of \$1.00.

4) How will the retirement affect the equity account balance?

The equity account balance is decreased by the amount of the retirement.

5) Will all eligible members receive a check?

Both active and inactive members will receive either a check or a credit on their account. There are several factors that determine which applies. For active members, retirement amounts greater than \$250.00 will be in the form of a check unless the electric account has a past due balance with LCEC at the time of the retirement. The retirement would then apply towards the past due balance. Inactive members receiving a retirement amount of \$1.00 or greater, and with no outstanding LCEC debt, will receive a check.

6) When will members receive a check?

All checks will be mailed out by the end of June. Please allow time for delivery.

7) What if a member no longer has an active account with LCEC?

Members who do not have an active account with LCEC, but have an equity balance, will receive either a check or a credit towards their past due balance. It is important that addresses be kept up to date with LCEC to ensure proper delivery.

8) Why does LCEC pay out checks to some members and credits to others?

Checks will be issued to active members whose retirement amount is greater than \$250.00 and who have no LCEC past due balance at the time of the retirement. Checks will be issued to inactive members whose retirement amount is \$1.00 or greater and who have no outstanding LCEC debt.

9) If members receive a credit, how will they know?

The credit will appear on the bill of active members and be applied towards the balance owed.

10) What if a member has a past due balance with LCEC?

If an active or inactive member owes a past due balance to LCEC, their retirement will apply towards the past due balance. Members will receive a letter advising them of this. If the account is active and the remaining amount is greater than \$250.00, the member will receive a check. If the remaining amount of the retirement is \$250.00 or less, the amount will apply towards the following month's bill. If the account is inactive, the member will receive a check for the remaining amount.

11) What if a member has multiple accounts with LCEC and receives a credit?

The credit will appear on the bill of one of the active accounts. If there was debt on one of the accounts, the credit will appear on the account with the debt.

12) What happens if the account holder is now deceased?

Equity is considered an asset and would be payable to the account holder's heir. In order to process this request, legal documents are required. Please refer to [Equity FAQ](#).

13) Can an equity check be used to pay an LCEC bill?

Yes. A member can send in their endorsed equity check along with their billing statement as payment towards their bill. The back of the check must be endorsed.

14) Can equity checks be cashed at the Immokalee LCEC office?

Yes, as long as the account holder has valid identification and there are enough funds in the cash drawer.

15) Will an authorized pay station cash an equity check?

No. Authorized pay stations will not cash the check.

16) Can the check be cashed at the bank by which it was issued?

Yes. Members can cash their check at SunTrust bank. There is a \$7.00 processing fee for those who are not a SunTrust member. This fee is charged by SunTrust and LCEC does not receive any portion of the fee.

17) What if the check is returned to LCEC by the post office, or is not cashed within six months?

Returned checks become null and void immediately; uncashed checks become null and void after six months (180 days). If the member has an active account with LCEC, the retirement amount will apply to their account in the next bill cycle. If the member does not have an active account, a \$1.00 administration fee will begin to be deducted from the balance each month. After 3 years, up to \$36.00 in administration fees will have been deducted from the retirement. Members have up to three years to claim their retirement from LCEC.

If the check becomes null and void and the account is inactive, no future attempts will be made to mail to the address on file. It is the member's responsibility to contact LCEC to update their mailing address in order to receive subsequent retirements.

18) What if a member does not receive their check?

Contact LCEC to verify the address on record and confirm that a check was mailed. LCEC requires a minimum of 60 days for check delivery or return. Please contact LCEC after this period if the check has not been received.

19) What if the name on the check is wrong?

In order to correct the name on the account, specific legal documents are required. Please refer to [Equity FAQ](#).

20) Should the equity retirement be reported as income for tax purposes?

The IRS requires that 1099 forms be sent out on SOME accounts that have received a retirement of \$600.00 or more. Members should contact their tax advisor if they have questions. Members receiving a retirement of \$600.00 or more that qualify for a 1099 will receive documents in accordance with tax time lines.

Please [click here](#) for Modified W-9 form.