



Important — Please Read

FREQUENTLY ASKED QUESTIONS & ANSWERS REGARDING CAPITAL CREDITS

A Cooperative is a business owned by the members using its services. When a customer becomes a member of Range Telephone Cooperative, Inc. and uses the Cooperative's telecommunication services, he/she is establishing an ownership interest in the Cooperative. This "ownership" is referred to as capital credits or patronage.

Range is a non-profit corporation whose purpose is to provide state-of-the-art telecommunication services to its members at reasonable and affordable prices. A financial audit is conducted annually to determine the Cooperative's year-end net income. The Board of Trustees uses that information to determine the amount to allocate (credit) to the members' accounts. The amount allocated will be paid out later as determined by the Board of Trustees. The amount allocated to each member is in direct proportion to their actual telecommunications usage (i.e. local service, long distance usage on landline phones, broadband and calling features).

Beginning in January 2024, you will become patrons of Range. As patrons, they will be entitled to an annual allocation like the cooperative members.

Q. What is the difference between a member and a patron?

A. Only active members are entitled to vote on Board representation, dissolution, and other matters per the Range bylaws. Both members and patrons receive annual allocations of patronage.

Q. Would you explain the Capital Credit Allocation Statement that I receive each year?

A. This statement is mailed in the second quarter of each year to let the members and patrons know the total amount of capital credits that they have accumulated in the Cooperative. The statement shows the amount of capital credits earned for the current year, the amount unretired for prior years, and the combined total of the two amounts. **The amount of your "Total Patronage" does NOT mean that you will receive that amount in one lump sum.** It is important that subscribers keep our business office aware of any new address or name changes so that we may notify you of future allocations/refunds/retirements.

Q. When does Range refund capital credits and how is the amount of the refund determined?

A. In the spring of each year, the Board of Trustees reviews the current financial condition of the Cooperative and then determines how much, if any, the Cooperative can afford to retire (refund), and which years to retire, without jeopardizing Range' operating cash needs.

Q. How will I be notified if I qualify for a refund?

A. Members and patrons in good standing who had telephone service with Range in the years that are being retired will receive a check or credit on their monthly bill. If a member has a bad debt on record with the Cooperative, the capital credit refund amount will be applied to that bad debt. Refunds of \$10 or less are not issued.

Q. Is there any way I can get all the capital credits that I've earned in one lump sum?

A. The only time Range may pay lump sum refunds is in the event of a member's death, provided that member was an individual and not a business. Once we receive notification of death and the necessary paperwork has been completed, the Cooperative will prepare an estate retirement. When the membership is held jointly and one of the spouses passes away, one-half (50%) of the accrued capital credits will be paid out to the estate and the other 50% will be transferred to the surviving spouse's membership account to be distributed in the normal course of business. Please contact our business office at 406-347-2226 or 1-800-927-2643 upon the death of a member.





Important — Please Read

FREQUENTLY ASKED QUESTIONS & ANSWERS REGARDING CAPITAL CREDITS

Q. Why do you need my tax identification number?

A. The IRS requires Range to issue 1099's when we refund capital credits. If Range does not have your tax identification number on file at the time the refund checks are issued, you will not receive a retirement check. The amount which would have been issued remains in your member account to be refunded if/when we receive your tax identification number.

Q. What do I need to do if I move out of Range's service area?

A. You need to keep our business office notified of changes to your name or address if you leave our service area. Depending upon the years that you had service with us, you could possibly be eligible for refunds several years after you disconnect.

Q. What happens in the event of a divorce?

A. If the membership is a joint membership, our business office will require legal documents stating how the capital credits should be divided. If membership is not joint, capital credits will be distributed into the account of whoever holds membership in the Cooperative at the time of the distribution.

