

## Endowed Membership Questions And Answers

**Question:** What is Endowed Membership?

**Answer:** Endowed Membership allows a Brother to voluntarily give to his lodge an amount of money equal to his annual dues times 20 or \$750, which ever is more. He is no longer required to pay annual dues.

**Question:** Why is the cost of an Endowed Membership fee set at 20 times lodge dues?

**Answer:** The multiplier of 20 creates an amount that, if invested at 5%, will return interest income to your lodge equal to the same amount of money it would have received in annual dues from you. For instance, if your lodge dues are \$50 multiplying by 20 establishes an Endowed Membership fee of \$1,000. At a 5% return your lodge receives \$50 in interest, the same amount it would have received in dues.

**Question:** Is there a provision for purchasing an Endowed Membership in installments?

**Answer:** Yes. A Brother may purchase an Endowed Membership with the option to pay the fee in five equal annual installments. To determine the annual installment payment, simply multiply your annual dues, at the time of purchase by 4.75. Example: If your Lodge dues are \$50,  $50 \times 4.75 = \$237.50$  which would be your annual fee for five successive years.

**Question:** Why is an Endowed Membership beneficial to my lodge?

**Answer:** Yes. The interest from this money is available for use by your lodge and the Grand Lodge every year, even after your death.

**Question:** Why do we need Endowed Memberships?

**Answer:** Unfortunately, we have experienced losses in membership during the past several years. These losses can have adverse effects on the finances of particular lodges. If that lodge owns its building, the fixed cost of upkeep and operation are spread among a decreasing number of members. An Endowed Membership is a way to contribute to an endowment fund for your lodge, insuring future financial security.

**Question:** Can the principal amount ever be used?

**Answer:** The principal amount will be placed in the permanent fund of the Grand Lodge. Only the earnings from this fund will be distributed to the lodges. After your death, the interest earned from the money will continue to be returned to your lodge and the Grand Lodge forever.

**Question:** When will the lodge receive this interest income?

**Answer:** After December 31 of each year but prior to January 31 of the ensuing year for memberships which have been in effect for a full year.

**Question:** If the Grand Lodge per capita were to increase, would it affect me?

**Answer:** No. An endowed member will no longer be subject to the per capita tax.

**Question:** What takes the place of the per capita tax?

**Answer:** To protect the lodge from future Grand Lodge per capita tax increases on endowed members, the per capita tax will be replaced with a proportionate ratio payment.

**Question:** What does proportionate ratio mean?

**Answer:** It is a ratio that is fixed at the time a Brother becomes an endowed member. It is the ratio of the lodge dues to Grand Lodge per capita. Let's look again at our earlier example of \$50 dues and \$10 per capita. Of that \$50 collected by your lodge, \$10 is payable to the Grand Lodge for per capita tax. In other words, the lodge keeps 80% and the Grand Lodge gets 20%. As this ratio is frozen at the time a Brother becomes an endowed member, a Grand Lodge per capita increase will not affect it in later years. At a 5% return the example lodge receives \$50 in interest, the same amount it would have received in dues. The lodge continues to get 80% of the money earned and the Grand Lodge keeps 20% in lieu of per capita tax.

**Question:** What happens if interest rates are above 5%?

**Answer:** Lodges and the Grand Lodge benefit! Let's again use the example of dues of \$50 and an Endowed Membership fee of \$1,000. If we earn 8% interest on the \$1,000 it will return \$80. This will be divided 80%, or \$64, to the lodge and 20%, or \$16, to the Grand Lodge.

**Question:** We don't expect interest rates to fall below 5%, but what if they do?

**Answer:** If interest rates fall below 5% then, the Lodge will receive less than it would have received in dues. We hope that will never happen. However, if it does occur, the Grand Lodge portion is also reduced. Remember that the proportionate ratio paid to Grand Lodge is based on the interest earned. So in this case, Grand Lodge would receive less than it would have normally received in per capita tax. In other words, Grand Lodge shares in the loss.

**Question:** Is there a reduced rate for older members?

**Answer:** No. The program is not really designed as a membership program. Its intent is to create a trust fund for lodges. The primary funding of this account is from Endowed or Memorial Endowed Memberships. It is a way for a Brother to make a voluntary, long-term financial contribution to his lodge and Grand Lodge.

**Question:** What if I transfer my membership to another lodge?

**Answer:** If you affiliate with another North Carolina lodge, your Endowed Membership moves with you. If you affiliate with a lodge outside North Carolina, the Endowed Membership fee remains with that North Carolina lodge. If you affiliate with a lodge outside North Carolina and later return to your North Carolina lodge, your Endowed Membership is restored.

**Question:** What happens if an endowed member is suspended or expelled for unmasonic conduct?

**Answer:** The application form for Endowed Membership states that the applicant understands the Endowed Membership fee is non-refundable. So, even though a Brother may be suspended or expelled and may not have a dues card, the money remains with the lodge.

**Question:** Has any other Grand Lodge implemented endowed membership and if so, has it been successful?

**Answer:** Yes, several grand lodges have adopted endowed membership programs. Our Endowed Membership program is closely patterned after that of the Grand Lodge of Louisiana, where it has been very successful.

**Question:** How can I become an endowed member?

**Answer:** An application form will be available from your lodge secretary. It must be processed through your lodge.

**Question:** What are Memorial Endowed Memberships?

**Answer:** Memorial Endowed Memberships can be donated in the memory of a deceased Mason who was in good standing at the time of his death. The fee for this membership is \$500. There are no provisions for installment payments for Memorial Endowed Memberships.

