

**NATIONAL EXECUTIVE COMMITTEE
OF
THE AMERICAN LEGION
INDIANAPOLIS, INDIANA
May 6-7, 2009**

Resolution No. 8: Amendment National Paid-Up-For-Life Membership Plan

Origin: Finance Commission

Submitted by: Finance Commission

WHEREAS, The National Paid-Up-For-Life Membership Plan has been using a chart that reveals the amount of dues for Paid-Up-For-Life Member; and

WHEREAS, The investment markets have taken massive losses; and

WHEREAS, The American Legion desires to keep the Paid-Up-For-Life Membership Plan on a sound basis; and

WHEREAS, The National Finance Commission has reviewed this resolution and recommended its approval; now, therefore, be it

RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, May 6-7, 2009, That The American Legion approve amendments to the Paid-Up-For-Life Membership Plan (Plan) to insure the financial health of the plan using the Internal Revenue Service life expectancy tables and provided that this new fee schedule shall take effect upon development and the fee schedule shall be provided to each NECman for information; and, be it further

RESOLVED, That the National Finance Commission from time to time may amend the chart to calculate dues for Paid-Up-For-Life Memberships as required by the Internal Revenue Service or as recommended by our actuaries; and, be it finally

RESOLVED, That all other provisions, not in conflict with this resolution, of Resolution No. 6, National Paid-Up-For-Life Membership Plan Restatement and Amendment adopted by the National Executive Committee, May 9-10, 2007, (which resolution is attached hereto as Exhibit A) are hereby ratified and restated.

EXHIBIT "A"
Attached to Resolution No. 8
Amendment National Paid-Up-For Life
Membership Plan

NATIONAL EXECUTIVE COMMITTEE
OF
THE AMERICAN LEGION
INDIANAPOLIS, INDIANA
May 9-10, 2007

Resolution No. 6: National Paid-Up-For-Life Membership Plan Restatement and Amendment

Submitted by: Finance Commission

WHEREAS, The National Organization many years ago saw the benefit for a lifetime membership program as a means to help stabilize membership, to facilitate the maintenance of membership, particularly by older members who change their place of residence upon retirement, and to offer a service other veterans' organizations had already established; and

WHEREAS, The American Legion National Paid-Up-For-Life Plan was established by Resolution No. 10 by the National Executive Committee at their October 9-10, 1974 meeting in Indianapolis; and

WHEREAS, The Plan began with the 1976 membership year; and

WHEREAS, This Plan has attracted approximately 250,000 Legionnaires into the program as their choice of dues payment; and

WHEREAS, The Plan does meet the objectives stated earlier and satisfies those that have become Paid-Up-For-Life members; and

WHEREAS, This Plan is periodically reviewed to ascertain if the original assumptions are still valid; and

WHEREAS, The latest two actuarial studies have indicated that over the past several years, two compelling factors have come to light, and these are:

1. Group mortality rates used by the actuarial have changed dramatically over the past thirty years (The average life expectancy of people has increased by three-four years since the early '70's);
2. Department dues increases are occurring more frequently than first assumed (The original assumption was that Department dues increases would coincide with National increases); and

WHEREAS, The National Organization does not desire to increase cost of the plan to members; and,

WHEREAS, In order to protect the Plan's integrity for the future, the actuaries believe that some adjustments are necessary to allow for the revised mortality rates and Department dues increases; now, therefore, be it

RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, May 9-10, 2007, That the "Paid-Up-For-Life Membership Plan," is hereby restated and amended as follows:

The National Treasurer of The American Legion shall be and he hereby is authorized to accept membership dues in The American Legion for life upon passage of this resolution for the then current membership year subject to the following terms and conditions:

1. Age	Amount (Dollars)
Age 24 and under	34.84 times total annual dues *
25-29 inclusive	33.14 times total annual dues
30-34 inclusive	31.28 times total annual dues
35-39 inclusive	29.25 times total annual dues
40-44 inclusive	27.02 times total annual dues
45-49 inclusive	24.62 times total annual dues
50-54 inclusive	22.06 times total annual dues
55-59 inclusive	19.40 times total annual dues
60-64 inclusive	16.70 times total annual dues
65-69 inclusive	14.08 times total annual dues
70-74 inclusive	11.61 times total annual dues
75-79 inclusive	9.28 times total annual dues
80-84 inclusive	7.23 times total annual dues
Age 85 and over	5.88 times total annual dues

*Annual dues include National, Department and Post dues as charged by Post at the time the Paid-Up-For-Life membership is sold.

2. The above fee schedule may be rounded to the nearest dollar, and with the advice of the actuary, age groupings may be consolidated. The full amount for each paid-up-for-life member, according to age, shall be transmitted by the Post to its Department Headquarters, which shall in turn transmit the full amount to the National Treasurer. The National Treasurer shall place these funds in a trust account in accordance with paragraph 19 following.
3. Any member in good standing in a participating Department may purchase a paid-up-for-life membership at the rates herein established.
4. The National Adjutant will issue such forms, application blanks, regulations consistent with the provisions of this resolution, and procedural and promotional information as may be necessary to implement the plan.
5. At the time regular membership cards for 1976 and each subsequent year are printed, a register of all paid-up-for-life members shall be prepared for each Department in alphabetical order by Posts. On the basis of this list, the National Treasurer will annually withdraw from the trust account an amount equal to each Post's share, Department's share and National's share of the per capita dues as of the time the paid-up-for-life membership was purchased and shall thereafter promptly transfer to the general revenue of The American Legion as dues income an amount equal to the National per capita dues withdrawn for all paid-up-for-life

members. The National Treasurer shall also simultaneously transmit to each participating Department the amount of each Department's per capita withdrawn plus the amount of the Post's share of the annual dues withdrawn, for all paid-up-for-life members of the Department, and the Departments will in turn transmit to their Posts the amount of the Post's share of the annual dues for all such members.

6. Membership cards for paid-up-for-life members will be issued annually by National Headquarters, each properly identified as such, and will be mailed annually by National Headquarters directly to each paid-up-for-life member. Departments will be credited with memberships for the appropriate year for all paid-up-for-life membership cards issued, and Department will similarly credit Posts with memberships for all paid-up-for-life cards issued to their members.
7. The total dues assessed by a Post and used for the computation of a membership may not be less than the sum of the National and Department per capita dues in effect at the time the paid-up-for-life membership is purchased. In the event that the annual dues amount used by a Post to compute the cost of a paid-up-for-life membership is equal to the sum of the National and Department per capita dues then in effect, the Post will not at any time in the future receive any payment from the National Headquarters for any paid-up-for-life membership so computed. But such a Post is obligated to recognize all members who have purchased such paid-up-for-life memberships and afford them all the privileges of membership so long as they shall live unless their membership is canceled or revoked under the provisions of the National Constitution.
8. Should the National Treasurer determine, on actuarial advice, that the paid-up-for-life trust account has insufficient funds to meet current and/or future obligations, he shall so notify the National Executive Committee through the National Finance Commission. The National Executive Committee may then direct a percentage reduction in the National and Department per capita dues then in effect for any given year of paid-up-for-life members sufficient to maintain the integrity of the trust fund, and the percentage reduction shall be applicable equally to National and Department dues. No reduction will be applied to Post's share of the annual dues inasmuch as the Post will at no time receive an amount greater than its share of the total dues at the time of the purchase of the paid-up-for-life membership.
9. A paid-up-for-life member may transfer to another Post within the same Department with the approval of the transferee Post. A paid-up-for-life member may transfer to a Post in another Department with the approval of the transferee Post and Department. In the event of such approval of transfer of a member having a paid-up-for-life membership, the Post and Department shall be obligated to honor the paid-up-for-life membership of the individual transferee whether they are participants in the paid-up-for-life membership plan or whether they are not. All such transfers of

paid-up-for-life membership, once effectuated, shall be reported to National Headquarters by the Department having jurisdiction over the transferee Post.

10. Should a paid-up-for-life member hold membership in a Post whose charter has been canceled and should the member be unable to effectuate a transfer, then in the event the unused portion of his original paid-up-for-life membership fee will be refunded to him. The same rule will apply in the case of a paid-up-for-life member whose membership has been revoked by his Post.
11. Except as provided in paragraph 10 above, no refunds of paid-up-for-life membership fees will be made.
12. The National Adjutant shall submit to the National Finance Commission as a part of the annual budget an estimate of the administrative cost of the National paid-up-for-life membership plan, including but not limited to postage, printing, electronic data processing and salaries, and the National Finance Commission with the approval of the National Executive Committee may authorize withdrawal from the paid-up-for-life membership trust account monies representing administrative costs in connection with this program for transfer to the general fund not in excess of one and one-half per cent (1½%) of the principal. Any monies withdrawn for administrative costs remaining unspent at the close of the year shall revert to the trust account. Any monies to be refunded to a member pursuant to paragraph 10 above may be withdrawn at any time from the trust account.
13. The plan shall use the most current applicable mortality table as recommended by its enrolled and licensed actuaries.
14. The acceptance of payment for a paid-up-for-life membership by the Post, Department and National Treasurer shall be a binding obligation upon the Post, Department and National Organization to recognize the member as being a fully-paid member each year thereafter with all of the rights of any member for the remainder of his life, and no further payment of dues or assessment shall be required to maintain his membership in good standing, except in the case of misrepresentation of age or membership eligibility, or in case a refund has been made pursuant to paragraph 10 above.
15. A participating Department may upon the vote of its Executive Committee or convention withdraw from the plan but is obligated to recognize and honor paid-up-for-life memberships previously accepted under the plan.
16. A distinction shall be made between a paid-up-for-life membership and a Life Membership conferred upon a member by his Post as an honor and in recognition of outstanding service. No member shall be permitted to purchase or receive a Life Membership card, as distributed by National Emblem Sales or a Department emblem sales, unless that member has been conferred a Life Membership by his Post. A participating Department may, at its discretion, require a Post to purchase a paid-up-

for-life membership in the name of a member who is to be honored by the awarding of a Life Membership.

- 17. Departments which presently operate a paid-up-for-life membership plan or Departments which in the future elect to establish a plan may do so without regard to the National paid-up-for-life plan, except that a Department may not elect both to have its own paid-up-for-life membership plan and participate in the National plan at the same time.**
- 18. The National Commander and the National Treasurer are authorized and directed to negotiate and enter into agreement(s) with the Hoosier Trust Company and Fifth Third Bank, each as a co-trustee, and the National Adjutant is authorized and directed to attest to such an agreement, to provide for the deposit and investment of paid-up-for-life membership funds, and the National Treasurer shall cause all receipts for such memberships to be deposited promptly therein and shall make withdrawals only in accordance with the procedures and for the purposes described herein, or as subsequently amended.**
- 19. The National Treasurer shall review with appropriate banking officials of the Hoosier Trust Company and Fifth Third Bank the investment procedures to the end that paid-up-for-life membership funds so deposited with Hoosier Trust Company and Fifth Third Bank shall be invested in a manner that will produce the greatest yield consistent with sound trust investment practices.**
- 20. Income derived from the investment of the paid-up-for-life membership trust funds shall revert to the trust account and shall become a part of the corpus of the account and shall not be used for any purpose other than authorized herein.**
- 21. These regulations, including the fee schedule, may be amended by the National Executive Committee.**
- 22. This resolution supersedes all prior resolutions concerning the National-Paid-Up-For Life Membership Plan.**