

# Brotherhood's Relief & Compensation Fund



## THE HIGHBALL

Spring 2022

### Real - Time Payments

The Fund introduced direct deposit (DD) as the preferred method for payment of "Held Out of Service" benefits approximately ten (10) years ago. The attraction of DD was obvious: Every member was able to access funds within one to two business days.

Fast-forward to 2022: If you have teenage children, you have likely used Venmo, Zelle, Cash App, etc. to transfer money. These applications operate outside of the federal clearing house and are not insured by the Federal Deposit Insurance Corporation.

BR&CF is now capable of paying member benefits safely and securely via direct deposit in real-time. The real-time payment (RTP) network is an online payment platform used by federally insured depository institutions. Currently, not all financial institutions participate in RTP. However, as the list of participating institutions grows, the BR&CF will leverage this technology to provide **INSTANT ACCESS** to approved "Held Out of Service" benefit payments to more and more members.

The Fund's goal is to provide members access to their benefit payments within **ONE HOUR** of the submission of an application for "Held Out of Service" benefits.

### A MESSAGE FROM YOUR PRESIDENT

I am pleased to announce that work on a highly anticipated member service enhancement initiative has finally come to fruition. The Fund has partnered with Citizens Bank to offer Real-Time Payments, which allows the membership instant access to approved "Held Out of Service" benefits. This improvement is an example of my commitment to expand upon the industry-leading level of service offered by this Brotherhood.

I take this moment to reflect on just a few of the accomplishments of the past five years. First and foremost, the BR&CF is financially healthy. The Fund's investment portfolio, which is comprised of an equal allocation of fixed income and equity positions, has experienced a seventy-one percent (71%) increase in market value since 2017. I trust the financial well-being of the Fund instills confidence in each member that this Brotherhood is well-prepared to meet all present and future benefit payment obligations.

In 2019, after consideration of many factors, the board of directors concluded it was in the best interest of the membership to sell the principal office building located in Harrisburg and lease office space in Mechanicsburg. This transaction played a pivotal role in the continued reduction of the administrative expenses incurred by the Fund over four consecutive years.

I am proud of the Fund's evolution to a near paperless enterprise. The electronic submission of forms, electronic replies to correspondence, and the interface to the database at the web site have reduced the organization's paper footprint by nearly ninety-five percent (95%).

Lastly, the transition of the entire membership to a single method of payment of dues was a major milestone reached in 2021. The decision to eliminate payroll deduction, direct payments, and credit card payments as dues payment options was not taken lightly. Thus far, the transition to the Direct Debit/Deposit Payment Plan has achieved the desired results.

I would be remiss if I did not acknowledge the hard work and dedication of the BR&CF staff, board of directors, and fellow in-house officers Donnie Despines, Jr. and Brian J. Penfield. The accomplishments noted above would not be achievable without their full support.



*J. E. Taylor*  
J. E. Taylor

International President

## Annual Audit

In accordance with the BR&CF *Constitution*, the Fund engaged Hamilton & Musser, P.C. to audit its financial statements. The financial statements comprise the statement of assets, liabilities, and fund balances.

At the January board of directors meeting, Hamilton & Musser reported that our financial records were presented fairly in all material respects and no modifications or adjustments were necessary.

The Fund's investment positions in the financial statements are stated at cost and not market value. The total market value of the organization's investment portfolio on September 30, 2021, was \$77,915,675.

## PREPARING YOUR INCOME TAX RETURN

We are required by the IRS to issue a 1099-MISC Tax Form if a U. S. resident receives \$600 or more in benefits, or a combination of benefits and referral fees.

In 2020, the IRS created a new tax form, the 1099-NEC. The 1099-NEC form is for reporting Referral Fee income. The 1099-MISC form is for reporting "Held Out of Service" and "Retirement" benefit payments.

All 1099's were mailed in early January. If you received a 1099-MISC, we encourage you to visit our website to retrieve your dues payment history. Your tax consultant will likely need this information to complete your tax return.

Retrieving your dues payment history is simple. Log in to your account, select the menu icon, select 'Other', and then select 'Tax Information'. Your dues payment history may be exported or printed for your convenience.

It is important to make your tax consultant aware of the following:

→ **The BR&CF is NOT an insurance company.**

→ **Members pay dues NOT insurance premiums.**

### BROTHERHOOD'S RELIEF AND COMPENSATION FUND

Statements of Assets, Liabilities, and  
Fund Balances – Income Tax Basis  
September 30, 2021, and 2020  
(Presented in U.S. Dollars)


	<u>2021</u>	<u>2020</u>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	\$ 793,086	\$ 834,998
Interest Receivable	119,487	115,069
Investments	67,833,686	57,658,322
Investments Designated for Deferred Compensation	47,958	59,242
Property and Equipment, Net	<u>26,401</u>	<u>57,970</u>
Total Assets	<u>\$ 68,820,618</u>	<u>\$ 58,725,601</u>
<b><u>Liabilities</u></b>		
Accounts Payable and Accrued Expenses	\$ 429,300	\$ 339,395
Dues Received in Advance	1,224,906	1,810,373
Held-Out-of-Service Payable	<u>169,229</u>	<u>247,630</u>
Total Liabilities	<u>1,823,435</u>	<u>2,397,398</u>
<b><u>Fund Balances</u></b>		
Fund Balance	66,962,490	66,736,618
Currency Valuation	<u>34,693</u>	<u>(10,408,415)</u>
Total Fund Balances	<u>66,997,183</u>	<u>56,328,203</u>
Total Liabilities and Fund Balances	<u>\$ 68,820,618</u>	<u>\$ 58,725,601</u>

## Annual Meeting of the Members

The annual meeting of the members is scheduled to convene April 23, 2022, at 10:00 a.m. in the principal office in Mechanicsburg, PA. If you plan to attend the annual meeting, please contact the BR&CF office, and ask for International Secretary-Treasurer Brian J. Penfield. Brother Penfield will provide additional details regarding the meeting, including hotel stay options.

The notice of annual meeting and instruction of proxy assignment will be mailed in early March to all members “In Good and Regular Standing” at the close of business on February 21, 2022, the date of record established in accordance with Article XXI, (Sec. 4), of the BR&CF Constitution.

The Fund must have a quorum of the membership to convene the annual meeting. Please exercise your democratic right and assign your proxy by internet or telephone. The process is simple and will only require a couple minutes to complete. The Fund will utilize email blast(s) to ensure a quorum is achieved. There are two known positions that are up for election: International President and Director.

Scholarship Application Deadline	Planning to Retire?	Referral Program
<p>The deadline to apply for a Luther G. Smith Scholarship Award is <b>March 1, 2022</b>. The application is available at <a href="http://www.brcf.org">www.brcf.org</a>. The application process is entirely electronic. Please do not print and mail your application.</p> <p>Twenty (20) scholarships in the amount of <b>\$2,500.00</b> each will be awarded. An independent committee of educators will select the recipients. Award winners will be notified in April and funds dispersed via direct deposit in July.</p>	<p>An important component of the value of a BR&amp;CF membership is the one-time, lump-sum “Retirement” benefit. To qualify, a member must have a minimum of ten (10) years of beneficial membership, be “In Good and Regular Standing”, and shall have irrevocably exercised their option for retirement.</p> <p>The “Retirement” benefit equals \$500.00 for ten years of beneficial membership and \$50.00 for each additional year of beneficial membership thereafter.</p>	<div style="text-align: center;">  </div> <p>The BR&amp;CF does not employ a traditional sales force. The Fund relies upon existing members to introduce coworkers to the benefits of membership.</p> <p>If you refer a coworker and they are approved for membership, the Fund will provide you a referral fee of \$250.00.</p>

## A Great Idea Getting Better Every Day

On June 12, 1912, Luther G. Smith, a locomotive engineer for the Pennsylvania Railroad, founded the Brotherhood’s Relief and Compensation Fund (BR&CF). The BR&CF, a non-profit corporation established in the Commonwealth of Pennsylvania, was established to provide job income protection to railroaders throughout the United States and Canada who were “Held Out of Service” due to suspension or dismissal. Brother Smith did not see the logic in innocent family members having to suffer when a railroader made an error in the performance of their duties that resulted in a suspension or dismissal. A succession of officers and directors have continued the mission of protecting family income for over 100 years. Members of the BR&CF belong to an organization dedicated to providing the highest level of service at the lowest possible cost. When alternative providers are examined closely, choosing BR&CF income protection is the clear choice.

## **NOT WORKING?**

If you are off work a complete calendar month (except when “Held Out of Service”), you may be relieved of dues for the following reasons:

**Furlough – Sick – Injured – Management – Parental Leave  
Military Service – Ineligible Occurrence – Leave of Absence**

Visit [www.brcf.org](http://www.brcf.org), select Electronic Forms, and submit a Complete Relief of Dues Form.

### **Division Meetings**

Please contact the office if you would like a BR&CF officer to attend a division meeting. Our attendance is an opportunity for an officer of the Fund to answer questions and address any concerns of the membership. Please provide as much advance notice as possible to avoid scheduling conflicts.

### **Update Personal information**

It is important that your contact information is complete and up to date to ensure your receipt of important communication from the organization. Please log in to your account and select personal information to review and update your email, street address and mobile telephone number.

### **Dates to Remember**

**April 18, 2022 - Deadline for Receipt of Proxies  
April 18, 2022 - Board of Directors Meeting  
April 23, 2022 - Annual Meeting of the Members**

### **Office Closed**

**February 21, 2022 - President’s Day  
April 15, 2022 - Good Friday  
May 30, 2022 - Memorial Day**

### **Contact the Office**

**Canada: (800) 233-7080  
US: (717) 657-1890**

**Address: 300 Sterling Pkwy, Suite 105  
Mechanicsburg PA 17050**

**Website: [www.brcf.org](http://www.brcf.org)**

**Hours: 8:00 a.m. - 4:00 p.m.  
Eastern Time**

