The Life Membership Committee is recommending a fee increase for new Life Members beginning January 1, 2017. The increase in Life Membership fees is necessary because of these factors:

1. No increase in fees since 1985
2. Life Members are living longer
3. Underreported deaths of Life Members
4. Poor stock market performance

The Life Membership fund was first set up with an expected life span for each member. According to national averages, the deaths of Life Members of the VFW Auxiliary are very much underreported. This means that this fund continues to pay out for deceased Life Members for years and possibly decades after their death. The fund was never designed to do this. The Life Membership payout used to be $10.50 per life member, but because of the above issues, the payout is down to $7.35 per Life Member. Increasing Life Membership fees will hopefully strengthen the fund and get the payout back to a level of at least $10.50 per member. The payout is split evenly between the Auxiliary, Department and National levels. The suggested new pricing will bring us in line with similar organizations.

The formulas, numbers used and advice given are from professionals. There are established life span averages for every age group, and the most up-to-date numbers must be used. Also, the investment advisors for the fund look at all the trends, figures and global impacts that affect the percentage of return the fund gets.

A few years ago, Council voted to take half of any remaining funds not used in the annual budget and put it in the Life Membership Fund to improve the fund’s bottom line. According to advisors, it would take approximately 16 additional years of giving an average of $490,000 per year from operations to the Life Membership fund to get back to a $10.50 payout. This equates to about $7.8 million over 16 years, which is half of the operating reserves. This is assuming investments return at a rate of 6.0%, that Life Member deaths are reported appropriately and that there is unused net income.

* Please go to vfwauxiliary.org for this and other Resolutions being considered at National Convention. Discussion and voting by Delegates will happen at the National Convention in Charlotte, North Carolina. See Pages 16-17 for more information.