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To: Opinion File

Subject: Taking Former Employees of Occupational Group as Members

Opinion No.: O-98-9

A question has arisen whether individuals who have left a credit union's occupational field of membership (FOM) group may join the credit union. For example:

Big Z Credit Union has the employees, retirees, and pensioners of ABC Printing in its FOM, as well as former employees entitled to retirement or pension benefits from ABC Printing. Fred was an employee of ABC Printing but quit after two years. He did not join the Credit Union before quitting ABC. Because employees of ABC do not become vested in ABC's pension plan until they have worked for five years, Fred is not entitled to any pension or retirement benefits from ABC. Is Fred eligible to join the Credit Union after quitting ABC?

No. An individual must share a common bond with an occupational group in order to be included in the group. Former employees of a company who are not entitled to pension or retirement benefits, such as Fred, do not share a sufficient connection or similarity of interests with the company and its employees to be considered to have a common bond with the group. Consequently, credit unions may not take individuals such as Fred as members.

Moreover, credit unions should not advertise that former employees of an occupational group may join the credit union, without further qualification in the advertising. Instead, following the example described above, Big Z Credit union's advertising should indicate that employees, retirees or pensioners of ABC, or former employees entitled to retirement benefits from ABC, may join the credit union.