

286.5-371 Dividends paid, when.

- (1) Dividends shall be declared, credited, or paid on all stock daily, quarterly, semiannually, or annually, as the bylaws provide and the savings account from which the amount is so withdrawn shall have been outstanding for a period of not less than six (6) months; and earnings on any amount so withdrawn shall neither be distributed for any greater portion of the dividend period than that during which such amount remained in the association, nor at the rate in excess of the rate at which earnings, exclusive of any bonus, are distributed on savings accounts for the dividend period in which such amount is so withdrawn. All stock upon which payments are made in installments, except stock pledged upon the direct reduction plan, and all paid-up fully participating stock, shall be entitled to dividend in proportion to the amount paid in on such stock. Paid-up stock upon which the dividend rate is limited shall not participate in profits in excess of the limited rate.
- (2) Stock issued upon which mortgage is made upon semiannual reduction plan shall participate in any dividend only to extent of payments not credited upon the loan.
- (3) No dividend shall be declared, credited, or paid by any association except out of net income collected after deducting all expenses of operation and all losses sustained, except such losses from sale of real estate as may be charged to the reserve fund as provided in this subtitle.

Effective: June 18, 1964

History: Created 1964 Ky. Acts ch. 138, sec. 19, effective June 18, 1964.

Formerly codified as KRS 289.371.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286, and KRS references within this statute have been adjusted to conform with the 2006 renumbering of that code.