

CORRECTION TO ADVISORY NO. 84

TOPIC: INTEREST/DISCOUNT CALCULATIONS

This clarification and correction is to replace Page 2 of FO&L Advisory No. 84.

a) INTEREST OWED or DISCOUNT AVAILABLE

FORMULA: $PA \times IRW = \text{Interest Owed or Discount Available}$

$PA \text{ (Principal Amount)} = (\text{Weekly Comp Rate}) \times (\text{No. of Weeks})$

$IRW \text{ (Interest Rate per Week)} = \frac{\text{Published interest rate on date of order}}{52}$

EXAMPLE: $(\$200/\text{wk comp rate}) \times (47 \text{ weeks}) \times \frac{3.09\%}{100} \times 52$
= \$5.59 Interest or Discount Amount

b) TOTAL PAYMENT

FORMULA: $PA + (\text{INTEREST OWED or DISCOUNT AVAILABLE})$

EXAMPLE: For Interest plus back payment
Principal Amount (PA) + Interest = $\$9,400 + 5.59 = \$9,405.59$

For Discounted Advance Payment
Principal Amount (PA) - Discount = $\$9,400 - \$5.59 = \$9,394.41$