NAREA Interest Calculation Worksheet

Employee Name: _____ Retirement Plan: _____

Interest Calculation- (Highlighted yellow blocks represent where you must enter information for the calculation to be completed.)

Step 1: Compute Midpoint of the Interest Period (the date interest begins to accrue)

a. Add Deposit Period Beginning Date to Deposit Period Ending Date

	Yr	Mo	Day
Deposit Period Beginning Date:	2010	01	03
Deposit Period Ending Date:			
Total:	0	0	0

b. Divide Total by 2

			Yr	Mo	Day
Year:	0	÷ 2	0	0	
Month:	0	÷ 2		0	0
Day:	0	÷ 2			0
Total:			0	0	0
Midpoint:			0	0	0

Step 2: Add Interest on the Total Additional Employee Deductions Owed

a. Determine prorated interest rate for initial year (year in which midpoint falls)

		Mo	Day
Year In Which Midpoint Falls:	**0**	Mo	Day
Last Day of Year		12	31
Midpoint (month/day):		0	0
Time covered by Interest (for initial year of interest):		**12**	**31**
Time Factor for Time Covered by Interest (SEC. 50C1.1-1 Chart CSRS/FERS Handbook):		1.086111	
Calendar Year Variable Interest Rate (for year in which midpoint falls):		#N/A	
Adjusted variable interest rate for initial year		#N/A	

b. Calculate Deposit with Interest

Total Additional Employee Deductions Owed (without Interest) from Deposit Calc Worksheet. Cell I-41:	
Adjusted Variable Interest Rate for Year from Step 2-a.	#N/A
Total Additional Employee Deductions Owed with initial year interest (2010-3.125%, 2011-2.75%)	#N/A
Variable Interest Rate for Second Year (2011-2.75%, 2012-2.25%)	
Total Additional Employee Deductions Owed with Interest:	#N/A

Interest Due Initial Year	#N/A
Interest Due Second Year	#N/A
Total Interest Due	**#N/A**

Variable Interest Rates:
2010 - 3.125%   2011- 2.75%   2012 - 2.25%

Interest Calculation Worksheet Instructions:

The steps for computing the interest on the employee's NAREA deposit are described below.

Using this Excel version of the worksheet, you will need only to enter the information requested in the cells that are **highlighted in yellow**.

If the beginning date of the deposit period is later than January 3, 2010, you will also need to enter the appropriate starting date of the deposit period in the Deposit Period Beginning Date cells.

Step 1: Compute the Midpoint of the Deposit Period (the date interest begins to accrue)

    a: Add beginning date of the deposit period to the ending date of the deposit period

       You will enter the ending date of the interest period (Retirement date or 12/31/2011 if the retirement date is in 2012) in the yellow hightlighted area

    b: Divide by 2

       The worksheet will calculate the midpoint of the period of service and load information into Step 2-a.

Step 2: Add interest on the Total Additional Employee Deductions Owed

    a. Determine prorated interest rate for initital calendar year

     - Step 1-b calculated the midpoint and loaded the year in which the midpoint falls, the last day of that year, the midpoint month and days and the time covered by interest.

     - The worksheet then calculates the time factor using the month and days covered by interest for the initial year.

     - In the yellow highlighted box, you will enter the Variable Interest rate for the year in which the midpoint falls.

    For 2010 the variable interest rate has 3 decimal places, therefore Cells E-21 and M-17 are formatted as percentage, 3 decimal places.

    For 2011 the variable interest rate has 2 decimal places, therefore Cells E-21 and M-17 must be formatted as percentage, 2 decimal places.

    (To change the formatting from 3 to 2, right click on the Cell E-21, select format cell and change the decimal places to 2, do the same for M-17)

     - The worksheet then calculates the Adjusted variable interest rate and loads the adjusted rate in Step 2-b.

    b. Calculate the deposit with interest

     - In the first yellow highlighted cell, you will enter the Total Additional Deductions Owed from the Deposit Worksheet , Cell I-41.

     - The worksheet then calculates the Total Additional Employee Deductions Owed with Interest for the initial year and breaks it down so that the actual interest owed is shown.

     - If additional interest is due for the second year, place the variable interest rate for that year in the yellow highlighted cell formatted to the appropriate decimal places

     - You will then place the actual interest owed into your Deposit Worksheet in either Cell I-12, Cell I-25 or Cell I-39 for the year that interest was calculated.