



## How the fee decrease refund is calculated for 3 & 5 year members

The Department of Health set parameters for automatic refunds for some 3 & 5 year members. To be eligible for a refund you:

1. must have more than 12 months remaining on your membership as at 1 July 2011; and
2. will be issued with a refund equivalent to the difference between the rate you actually paid for the period 1 July 2012 to the end of your membership period; and the new rate; if
3. the value of the calculated refund is greater than \$20.

If you did not receive a refund, here are some reasons which might explain why:

4. You paid the current (reduced) price for your membership.
5. You are a 1 year member.
6. You pay quarterly for your membership.
7. You purchased your membership through your health fund, not directly through Ambulance Victoria.
8. You have already received a refund since the announcement of the fee decrease.
9. Your renewal date is before 1 July 2012.
10. The refund which was calculated to be paid to you was \$20 or less.

### **One example:**

A Single 3 year member

Payment Date: 21 September 2010

Date that membership started: 7 October 2010

Amount Paid for membership: \$225.00

*Note: The end date for membership is calculated from the date that the membership starts. There can be many reasons why there is a difference between the payment date and the start date. The most common reason is the business rule where the membership does not start until 5pm the next business day after payment is received. Another common reason is when a member pays their membership renewal before or after it expires.*

In this example the end date is calculated:

7 October 2010 + 3 years + 30 days = 6 November 2013

*Note: The 30 days is bonus time, for a 5 year membership the bonus time is 90 days.*

### **The calculation of the refund is:**

Step 1: Calculate the number of days to be refunded.

30 June 2012 to 6 November 2013 = 494 days

Step 2: Calculate how many days this member has paid for:

3 x 365.25 + 30 = 1125.75 days

*One year is calculated as 365.25 days to take account of leap years*

Step 3: Calculate the paid daily rate:

3 Year Single:  $(225 / 1125.75) = \$0.19987$

Step 4: Calculate the new fee daily rate:

$\$112.50 / 1,125.75 \text{ days} = \$0.09993$

*Note:*

*3 Year Single:  $112.50 / ((365.25 * 3) + 30) = \$0.09993$*

*3 Year Family:  $225 / ((365.25 * 3) + 30) = \$0.19987$*

*5 Year Single:  $187.5 / ((365.25 * 5) + 90) = \$0.097847$*

*5 Year Family:  $375 / ((365.25 * 5) + 90) = \$0.195695$*

Step 5: Calculate the refund amount:

The number of days to refund x difference between paid daily rate and new daily rate

$494 \times (\$0.19987 - \$0.09993) = \$49.37036$

Therefore the value of the cheque will be \$49.37.