

NBU RETIREE: LEASE PAYMENT & PRORATION CALCULATION EXAMPLES

Calculations are always based on a 30-day month and are for the prior month's usage. Company Vehicle Operations typically sends billing charges to the pension providers on the second Wednesday of each month. This is "pension cutoff". **Note:** For some participants, the pension cutoff is the 5th of the month.

Pension deduction: The lease payment deduction will occur on the 1st business day of each month. The deduction is for the prior month's usage.

Electronic Funds Transfer (EFT) deductions: The total lease payment is deducted on or around the 15th of each month. The deduction is for the prior month's usage.

Example 1: New vehicle delivery after pension cutoff

I started leasing my vehicle on May 15th. How do I calculate my vehicle deductions for June 1st and July 1st?

Let's say your new vehicle costs \$630 per month (this amount includes insurance).

Since you picked up your vehicle after the pension cutoff, your June 1st deduction will be **\$0**, not including any Motor Vehicle Record (MVR) fees.

However, your usage for the month of May will be prorated and charged on July 1st as follows:

Every month is calculated as a 30-day month, so you would be billed a prorated amount for 15 days for your new vehicle.

- The cost for your new vehicle in May would be $\$630 / 30 \text{ days} = \$21 \text{ per day} \times 15 \text{ days} = \textbf{\$315}$.
- The **\$35 new vehicle fuel fee** is billed to retiree lease (RL) deliveries for fuel included in the vehicle.

The total charges for the month of May were **\$350**, but your June 1st pension was not deducted for your new vehicle. This would result in a balance of **\$350** carried forward to July 1st.

Since your new vehicle costs \$630 per month, your company vehicle deduction from your July 1st pension would be **\$980 (\$350 for May + \$630 for June)**, not including any MVR fees or unpaid tolls/violations.

Example 2: Vehicle exchange before pension cutoff

I exchanged vehicles on May 5th, which is before the pension cutoff. How do I calculate my vehicle deduction for June 1st?

Let's say your turn-in vehicle cost \$600 per month and your replacement vehicle costs \$660 per month (both amounts include insurance).

Every month is calculated as a 30-day month, so you would be billed a prorated amount for 5 days for your turn-in vehicle and 25 days for your replacement vehicle.

- The cost for your turn-in vehicle would be $\$600 / 30 \text{ days} = \$20 \text{ per day} \times 5 \text{ days} = \textbf{\$100}$.
- The cost for your replacement vehicle would be $\$660 / 30 \text{ days} = \$22 \text{ per day} \times 25 \text{ days} = \textbf{\$550}$.
- The **\$35 new vehicle fuel fee** is billed to retiree lease (RL) deliveries for fuel included in the vehicle.

Your company vehicle deduction from your June 1st pension would be **\$685 (\$100 for May turn-in + \$550 for May replacement vehicle + \$35 new vehicle fuel fee)** not including any turn-in fees, MVR fees, or unpaid tolls/violations.

Example 3: Vehicle exchange after pension cutoff

I exchanged vehicles on May 20th, which is after the pension cutoff. How do I calculate my vehicle deductions for June 1st and July 1st?

Let's say your turn-in vehicle cost \$600 per month and your replacement vehicle costs \$660 per month (both amounts include insurance).

Since you exchanged vehicles after the pension cutoff, your June 1st deduction will not reflect your replacement vehicle. Your company vehicle deduction from your June 1st deduction would be **\$600**, not including any MVR fees or unpaid tolls/violations.

However, your usage for the month of May will be prorated and the difference will be charged on July 1st as follows:

Every month is calculated as a 30-day month, so you would be billed a prorated amount for 20 days for your turn-in vehicle and 10 days for your replacement vehicle.

- The cost for your turn-in vehicle in May would be $\$600 / 30 \text{ days} = \$20 \text{ per day} \times 20 \text{ days} = \textbf{\$400}$.
- The cost for your replacement vehicle in May would be $\$660 / 30 \text{ days} = \$22 \text{ per day} \times 10 \text{ days} = \textbf{\$220}$.
- The **\$35 new vehicle fuel fee** is billed to retiree lease (RL) deliveries for fuel included in the vehicle.

The total charges for the month of May were **\$655**, but your June 1st pension was only deducted **\$600**. This would result in a balance of **\$55** carried forward to July 1st.

Since your replacement vehicle costs \$660 per month, your company vehicle deduction from your July 1st pension would be **\$715 (\$55 from May + \$660 for June)**, not including any turn-in fees, MVR fees, or unpaid tolls/violations.