

ILLUSTRATION ON HOW TO COMPUTE DIVIDENDS

$$\text{Dividend Rate} = \frac{\text{Surplus Available for Distribution as Dividends}}{\text{Total Average Contribution of all members}}$$

Actual Distribution for 2015

$$\text{Dividend Rate} = \frac{79,355.35}{2,028,177.11}$$

$$\text{Dividend Rate} = 0.03912644$$

Example:

- A. Bill joined HPPECC on January 10, 2015 with a monthly contribution of P1,000.00.
- B. Dave joined HPPECC on January 10, 2015 with a monthly contribution of P2,000.00. Then on June 10, 2015, he made a one-time deposit of P100,000.00 to his Share Capital.
- C. Meg joined HPPECC on December 31, 2015 and deposited P200,000.00 to her Share Capital.

Total Share Months = sum of monthly Share Capital Balance from January to December

Average Share Capital = Total Share Months divided by 12

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Share Months	Average Share Capital
Bill	1K	2K	3K	4K	5K	6K	7K	8K	9K	10K	11K	12K	78K	6,500.00
Dave	2K	4K	6K	8K	10K	112K	114K	116K	118K	120K	122K	124K	856K	71,333.33
Meg												200K	200K	16,666.67

Dividends = Average Share Capital x Dividend Rate

Bill's Dividends = P6,500.00 x 0.03912644 = P254.32

Dave's Dividends = P71,333.33 x 0.03912644 = P2,791.02

Meg's Dividends = P16,666.67 x 0.03912644 = P652.11

ILLUSTRATION ON HOW TO COMPUTE PATRONAGE REFUND

$$\text{Patronage Rate} = \frac{\text{Surplus Available for Distribution as Patronage Refund}}{\text{Total Interest paid by all members}}$$

Actual Distribution for 2015

$$\text{Patronage Rate} = \frac{34,009.44}{382,534.32}$$

$$\text{Dividend Rate} = 0.088905592$$

Example: Dion was granted a loan of P50,000.00 and paid a total interest of P6,542.70 for 2015.

Patronage Refund = Total Interest Paid x Patronage Rate

Dion's Patronage Refund = P6,542.70 x 0.088905592 = P581.68