

Working Out Pro-rata Payments

When you are working out your pro-rata payments for your creditors you may find the calculation and example shown below useful as a model.

The Calculation

Take the Amount Owed to a creditor
multiply by
Total available to pay all creditors
divide answer by
Total amount owed to all creditors

OR

$(\text{Amount owed to a creditor}) \times (\text{Total available to pay all creditors}) \div (\text{Total Amount owed to all creditors})$

Example:

The debtor owes money to three creditors:

Creditor 1:	=	£1,000
Creditor 2:	=	£800
Creditor 3:	=	£250

Total amount owing
to all Creditors: = £2,050

The Total available to pay all creditors is £15 per month

To Calculate the Pro-rata Payment for each Creditor:

Creditor 1:	=	$1,000 \times 15 \div 2,050$	=	£7.32 per month.
Creditor 2:	=	$800 \times 15 \div 2,050$	=	£5.85 per month.
Creditor 3:	=	$250 \times 15 \div 2,050$	=	<u>£1.83 per month</u>

Total repayment to creditors = £15.00 per month

(Individual payments should be rounded up or down to whole pennies)