**ARPP Calculation**

* Create ARPP records after creation of Action Plan records and calculate actual Upfront and Trail Commission base on Investment / Product type.
* After Insert trigger on Approve Action Plan object to Crate ARPP detail records.

Following steps are using to Calculating actual commission:

1. Collect All Action Plan record where ET has opened and store APs separately based on Type (SIP/Lumpsum/LI/GI) and
2. Collect suggest products from Product Master.
3. Executed Each Category of Action plan newly created records and create corresponding ARPP records. While creating ARPP record with Upfront and Trail commission calculation we have checked Following Condition.
4. If Product name is not available on Product Master Object then Put Remark “Product Detail is not found”.
5. If Product name is found but active commission is not available then put remark “Commission Detail is not found”.
6. In Case of Life Insurance section find the valid year’s interval active Commission detail.
7. In case of SIP, Lumpsum and General Insurance find only active Commission detail.
8. ARPP detail is having reference fields of Approve Action Plan, Product Master, Execution tracker and Commission. When we are creating new ARPP record at same time we are initializing all reference fields except Execution Tracker.
9. **Commission Calculation Formula for Each Category :**
10. **SIP**

**Upfront Commission:** use following formula

|  |
| --- |
| ARPPDetail.Action\_Plan\_Upfront\_Comm\_Amount =  (Commission. Upfront Commission \* 12) \*ActionPlan.Amount)/100 ; |

Ex: ActionPlan.Amount = 5000

Commission.Upfront\_Commission = .5%

Then ARPP.Upfront\_Comm\_Amount = (5000 \* 12\* .5) /100;

**Trail Commission:**

|  |
| --- |
| Double amount = ActionPlan.Amount;  For (Integer i = 0; i < 12; i++){  trailComm += (amount \* Commission.Trail\_Commission)/100;  Amount += ActionPlan.Amount;  }  ARPPDetail. Action Plan Trial Comm Amount = trailComm; |

**Upfront and Trail Commission Calculation for SIP:**

Commission.Upfront\_Commission = .5%

Commission.Trail\_Commission = .04%

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Month** | **SIP Amount** | **Total Investment = AUM** | **Trial Commission** | **Upfront Commission** |
| 1 | 5000 | 5000 | 2 | 25 |
| 2 | 5000 | 10000 | 4 | 25 |
| 3 | 5000 | 15000 | 6 | 25 |
| 4 | 5000 | 20000 | 8 | 25 |
| 5 | 5000 | 25000 | 10 | 25 |
| 6 | 5000 | 30000 | 12 | 25 |
| 7 | 5000 | 35000 | 14 | 25 |
| 8 | 5000 | 40000 | 16 | 25 |
| 9 | 5000 | 45000 | 18 | 25 |
| 10 | 5000 | 50000 | 20 | 25 |
| 11 | 5000 | 55000 | 22 | 25 |
| 12 | 5000 | 60000 | 24 | 25 |
| TOTAL Revenue for Year 1: | |  | 156 | 300 |

1. **Lumpsum :**

**Upfront Commission:**  upfront comm. calculation is similar to SIP upfront calculation.

**Trail Commission:** ARPPDetail.Action\_Plan\_Trail\_Comm\_Amount =

(Commission. Trail Commission) \*ActionPlan.Amount)/100 ;

1. **Life Insurance**

**Upfront Commission:** Find the appropriate Commission Detail and apply valid commission

if(Commission.Min\_Year\_Value <= ActionPlan.Tenure\_of\_Insurance\_\_c && ActionPlan.Tenure of Insurance < Commission.Max\_Year\_Value)

**Calculate upfront commission:**

|  |
| --- |
| ARPPDetail.Action\_Plan\_Upfront\_Comm\_Amount = (Commission.Upfront\_Commission \* ActionPlan. Premium\_Amount\_Rs\_\_c /100) |

Ex: Life Insurance Action Plan. Sum Assured = 100000 ActionPlan.Tenure\_of\_Insurance\_\_c = 14 objARPPDetail.Action\_Plan\_Upfront\_Comm\_Amount = (100000 \* 20)/100 **Here 20 is valid commission as per below table**.

Money back polices commission structure is as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **0 to 10 years** | **10 to 15 years** | **> 15 years** |
| 1 | 15% | 20% | 28% |
| 2 | 10% | 10% | 10% |
| 3 | 10% | 10% | 10% |
| 4 | 5% | 5% | 5% |
| ….. | 5% | 5% | 5% |
| End of term | 5% | 5% | 5% |

**Trail Commission:** No need to calculate trail commission. Here trail commission always 0.

1. **General Insurance**

|  |
| --- |
| **Upfront commission:** Insurance is always for 1 year.  ARPPDetail.Action\_Plan\_Upfront\_Comm\_Amount = Commission.Upfront\_Commission \* ActionPlan.Premium\_Amount\_Rs\_\_c)/100 |

**Trail Commission:** No need to calculate trail commission. Here trail commission always 0

**For Current MF Lumpsum**

* **Hold - Change of Broker** - No Revenue
* **STP From** - Upfront Revenue -No Trail Revenue
* **STP To** - Upfront & Trail Revenue as per fund - from the product master
* **Switch Out** - No Revenue
* **Switch In** - Upfront & Trail Revenue as per fund from the product master
* **Hold** - No Upfront, only Trail Commission
* **Hold** - Existing Fund (This field needs to be added in the dropdown) - No Revenue.

**For Current MF SIP**

* **Stop** - No Revenue
* **Continue** - Upront and Trail Revenue
* **Existing SIP COB** - Upfront and Trail Revenue
* **Continue - Existing SIP** (This field needs to be added in the dropdown) - No Revenue.