

# Pro Rata Explained

Before you receive your first invoice and there is an important concept we need to ensure you are familiar with: the concept of Pro Rata billing.

**Your first invoice will be higher than the plan fee because it includes a partial Plan Fee billed in arrears (for the period between your service activation and your first invoice) plus the Plan Fee for the following month billed in advance. It will also include any applicable usage charges since activation.**

## For Example:

For example if you joined on the 15th of January you would receive your first invoice at the beginning of February which would contain one month's plan fee in advance: for the month of February, plus the remaining portion of the plan fee for the time you were with us in January.

January							February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6					1	2	3
7	8	9	10	11	12	13	4	5	6	7	8	9	10
14	15	16	17	18	19	20	11	12	13	14	15	16	17
21	22	23	24	25	26	27	18	19	20	21	22	23	24
28	29	30	31				25	26	27	28			

The pro rata charge is worked out as a percentage based on how many days are left in the month from when you join. In the example above the customer joined on the 15th of January. Since there were 16 days left in the month and 31 days overall, the pro rata charge is worked out as follows:

$$\frac{\text{Days Remaining}}{16} \div \frac{\text{Total Days}}{31} \times \text{Plan Fee } \$69.95 = \text{Pro Rata Charge } \$36.10$$

Since most telecommunication service providers charge on a Pro Rata basis, be sure to check your final invoice from your previous provider as you may be entitled to a credit from them.