

1st Example - IRS Example from Rev. Rul. 2006-38, p. 5

VFCP Lost Earnings Calculations (VFCP Calculator)	Principal	Loss Date	Recovery Date	Final Payment Date	Lost Earnings			
	\$100,000.00	12/08/2004	12/30/2005	12/30/2005	\$6,502.67			
Tax Year End	12/31							
5330 Schedule C Calculations	Principal	Interest Rate (IRC § 6621(a)(2))	Date of Transaction (column b)	Days PT Active in Tax Year	Discrete Amount Involved	Pyramid Amount Involved	Total Amount Involved (column d)	15% (a) tax (column e)
First PT - line 2(i)	\$100,000.00	5%	12/8/2004	23	\$314.21		\$314.21	\$47.13
2nd PT - line 2(ii)	\$100,314.21	5%	1/1/2005	364	\$5,001.97	\$314.21	\$5,316.18	\$797.43
Schedule C, line 3								\$844.56

2nd Example

VFCP Lost Earnings Calculations (VFCP Calculator)	Principal	Loss Date	Recovery Date	Final Payment Date	Lost Earnings			
	\$5,000.00	11/01/2023	01/15/2024	01/15/2024	\$82.82			
Tax Year End	12/31							
5330 Schedule C Calculations	Principal	Interest Rate (IRC § 6621(a)(2))	Date of Transaction (column b)	Days PT Active in Tax Year	Discrete Amount Involved	Pyramid Amount Involved	Total Amount Involved (column d)	15% (a) tax (column e)
First PT - line 2(i)	\$5,000.00	8%	11/1/2023	60	\$65.75		\$65.75	\$9.86
2nd PT - line 2(ii)	\$5,065.75	8%	1/1/2024	15	\$16.61	\$65.75	\$82.36	\$12.35
Schedule C, line 3								\$22.22