

**M.G.L. c.29, § 29C – 815 CMR 4.00
CUMULATIVE TABLE OF LATE PAYMENT INTEREST RATES**

Under [M.G.L. c.29, § 29C](#), the interest rates for calculating late payment interest to vendors in compliance with the Office of the Comptroller's regulations governing late penalty interest, [815 CMR 4.00](#) are set on January 1 and July 1 (published by [Fiscal Year Updates](#)) and equal to the discount rate charged on these dates by the [Federal Reserve Bank of Boston](#).

The late penalty interest rate is applicable to invoices which are not paid by the Payment Due Date (which is normally 45 days after receipt of an invoice, unless the usual and customary time for payment is shorter or longer by statute or regulation.) Departments are expected to take all steps necessary to ensure that the Commonwealth's obligations are paid on a timely basis in accordance with the [Commonwealth's Bill Payment Policies](#).

The formula for computation of late payment interest requested by a vendor should be calculated as follows: **[Invoice Amount] * [Daily Interest Rate] * [# days from Payment Due Date to Scheduled Payment Date]** For an invoice of \$2,500 due on January 1, 2021 that was not on the warrant for payment until February 10, 2021 (40 days past due) the calculation is as follows: **[\$2,500.00] * [0.00000068] * [40] = \$0.68 late payment interest due.** Payments should be made using the appropriate object code for late penalty interest (in the same object class as the original payment) in the [Expenditure Classification Handbook](#).

EXAMPLE:	
Invoice amount:	\$2,500.00
Payment Due Date:	Jan 1, 2021
Scheduled Payment Date:	February 10, 2021
Daily Interest Rate in effect on Scheduled Payment Date:	0.00000068
# Days Payment Due to Scheduled Payment Date:	40 days Past Due
Calculation: \$2,500.00 * 0.00000068 * 40 = \$0.68 late payment interest	

Effective Dates of Interest Rate	Interest Rate Percentage Per Annum	Daily Interest Rate (Annual Interest Rate * .01/365 days)
1/1/21-6/30/21	0.25	0.0000068
7/1/20-12/31/20	0.25	0.0000068
1/1/20-6/30/20	2.25	0.0000616
7/1/19-12/31/19	3.00	0.0000822
1/1/19-6/30/2019	3.00	0.0000822
7/1/18-12/31/18	2.50	0.0000685
1/1/18-6/30/18	2.00	0.0000548
7/1/17-12/31/17	1.75	0.0000479
1/1/17-6/30/17	1.25	0.0000342
7/1/16-12/31/16	1.00	0.0000274
1/1/16-6/30/16	1.00	0.0000274
7/1/15-12/31/15	0.75	0.0000205

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Effective Dates of Interest Rate	Interest Rate Percentage Per Annum	Daily Interest Rate (Annual Interest Rate * .01/365 days)
1/1/15-6/30/15	0.75	0.0000205
7/1/14-12/31/14	0.75	0.0000205
1/1/14-6/30/14	0.75	0.0000205
7/1/13-12/31/13	0.75	0.0000205
1/1/13-6/30/13	0.75	0.0000205
7/1/12-12/31/12	0.75	0.0000205
1/1/12-6/30/12	0.75	0.0000205
7/1/11-12/31/11	0.75	0.0000205
1/1/11-6/30/11	0.75	0.0000205
7/1/10-12/31/10	0.75	0.0000205
1/1/10-6/30/10	0.50	0.0000137
7/1/09-12/31/09	0.50	0.0000137
1/1/09-6/30/09	0.50	0.0000137
7/1/08-12/31/08	2.25	0.0000616
1/1/08-6/30/08	4.75	0.0001301
7/1/07-12/31/07	6.25	0.0001712
1/1/07-6/30/07	6.25	0.0001712
7/1/06-12/31/06	6.25	0.0001712
1/1/06-6/30/06	5.25	0.0001438
7/1/05-12/31/05	4.25	0.0001164
1/1/05-7/1/05	3.25	0.0000890
7/1/04-12/30/04	2.25	0.0000616
1/1/04-6/30/04	2.00	0.0000548
7/1/03-12/31/03	2.00	0.0000548
1/1/03-6/30/03	0.75	0.0000205
7/1/02-12/31/02	1.25	0.0000342
1/1/02-6/30/02	1.25	0.0000342
7/1/01-12/31/01	3.25	0.0000890
1/1/01-6/30/01	6.00	0.0001644
7/1/00-12/31/00	6.00	0.0001644
1/1/00-6/30/00	5.00	0.0001370
7/1/99-12/31/99	4.50	0.0001233
1/1/99-6/30/99	4.50	0.0001233
7/1/98-12/31/98	5.00	0.0001370
1/1/98-6/30/98	5.00	0.0001370
7/1/97-12/31/97	5.00	0.0001370
1/1/97-6/30/97	5.00	0.0001370

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