

Case Details

Case	Example Case - Mr D Morris v Ms S J Francis
Claimant	Mr D Morris, employed male born 16/11/1981
Incident date	08/02/2012
Past loss period	08/02/2012 - 05/01/2017, 1794 days
Future loss period	06/01/2017 - retirement on 16/11/2048, 11638 days
Assumed trial date	05/01/2017
Scenario	Never returns to work
Court location	High Court

Background

The claim arises from an accident on 8 February 2012 in which the Claimant was injured. The Claimant worked as a Builder and earned £32,500 per annum before tax as at the time of the accident. The Claimant received statutory sick pay only whilst he was off work. The Claimant's injuries are severe enough, such that he is not expected to ever return to work, and so there are no actual earnings (other than the SSP) to consider. We will assume the Claimant would have received a pay rise at the start of the tax year following the accident. The trial is assumed to be on 5 January 2017.

Summary of Claim

1. Past loss of earnings (see Table 3: Calculation of total past loss of earnings)	£88,398
2. Interest on past losses (see Table 4: Calculation of total interest on past losses)	£1,982
3. Future loss of earnings (see Table 7: Calculation of total future loss of earnings)	£520,891
Total loss of earnings including interest	£611,271

Past Loss of Earnings

Gross Earnings Summary

Period	Years	Annual Projected	Annual Actual
06/04/2011 - 07/02/2012	0.84	£22,500 pa	£22,500 pa
08/02/2012 - 05/04/2012	0.16	£22,500 pa	£4,243 pa
06/04/2012 - 21/08/2012	0.38	£23,000 pa	£4,464 pa
22/08/2012 - 05/01/2017	4.37	£23,000 pa	£0 pa

Projected Net Earnings

Table 1: Calculation of projected annual net earnings

Year ended 5th April	2012	2013	2014	2015	2016	2017
Date from	6 Apr 11	6 Apr 12	6 Apr 13	6 Apr 14	6 Apr 15	6 Apr 16
Date to	5 Apr 12	5 Apr 13	5 Apr 14	5 Apr 15	5 Apr 16	5 Jan 17
Days in period	366	365	365	365	366	275
	£	£	£	£	£	£
Total earnings	22,500	23,000	23,000	23,000	23,000	17,329
Personal allowance	(7,475)	(8,105)	(9,440)	(10,000)	(10,600)	(8,288)
Taxable earnings	15,025	14,895	13,560	13,000	12,400	9,041
Income tax						
Basic Band	(3,005)	(2,979)	(2,712)	(2,600)	(2,480)	(1,808)
Total income tax	(3,005)	(2,979)	(2,712)	(2,600)	(2,480)	(1,808)
National insurance						
Class 1 Lower Earnings	(1,833)	(1,849)	(1,830)	(1,805)	(1,793)	(1,354)
Total national insurance	(1,833)	(1,849)	(1,830)	(1,805)	(1,793)	(1,354)
Total deductions	(4,838)	(4,828)	(4,542)	(4,405)	(4,273)	(3,162)
Projected annual net earnings	<u>£17,662</u>	<u>£18,172</u>	<u>£18,458</u>	<u>£18,595</u>	<u>£18,727</u>	<u>£14,167</u>

Actual Net Earnings

Table 2: Calculation of actual annual net earnings

Year ended 5th April	2012	2013	2014	2015	2016	2017
Date from	6 Apr 11	6 Apr 12	6 Apr 13	6 Apr 14	6 Apr 15	6 Apr 16
Date to	5 Apr 12	5 Apr 13	5 Apr 14	5 Apr 15	5 Apr 16	5 Jan 17
Days in period	366	365	365	365	366	275
	£	£	£	£	£	£
Total earnings	19,606	1,688	0	0	0	0
Personal allowance	(7,475)	(8,105)	(9,440)	(10,000)	(10,600)	(8,288)
Taxable earnings	12,131	0	0	0	0	0
Income tax						
Basic Band	(2,426)	(0)	(0)	(0)	(0)	(0)
Total income tax	(2,426)	0	0	0	0	0
National insurance						
Class 1 Lower Earnings	(1,485)	(0)	(0)	(0)	(0)	(0)
Total national insurance	(1,485)	0	0	0	0	0
Total deductions	(3,911)	0	0	0	0	0
Actual annual net earnings	<u>£15,695</u>	<u>£1,688</u>	<u>£0</u>	<u>£0</u>	<u>£0</u>	<u>£0</u>

Start of loss period 08/02/2012
End of loss period 05/01/2017

Table 3: Calculation of total past loss of earnings (see Tables 1 & 2 for calculation of projected and actual annual net earnings)

Net Loss of Earnings

Tax year ended	Projected gross	Projected net	Actual gross	Actual net	Net loss
		A		B	A - B
05/04/2012	22,500	17,662	19,606	15,695	1,967
05/04/2013	23,000	18,172	1,688	1,688	16,484
05/04/2014	23,000	18,458	0	0	18,458
05/04/2015	23,000	18,595	0	0	18,595
05/04/2016	23,000	18,727	0	0	18,727
05/04/2017	17,329	14,167	0	0	14,167
Total		<u>105,781</u>		<u>17,383</u>	<u>£88,398</u>
Total past net loss of earnings					£88,398

Interest on Past Losses

Date of trial 05/01/2017

Table 4: Calculation of total interest on past losses

Special Damages (Past) - One Off Expenses (Table 4a: Calculation of interest on one off special damages)

Description	From	Period Since Commencement (years)	Amount	Interest on Damages
Damage to car	08/02/2012	4.910	6,500	159
Damaged glasses	08/02/2012	4.910	199	5

Special Damages (Past) - Cumulative Over A Period (Table 4b: Calculation of interest on cumulative special damages)

Description	From	To	Cumulative Period (yrs)	Period Since Commencement (yrs)	Amount	Interest
Past loss of earnings	08/02/2012	05/01/2017	4.910	4.910	88,398	1,083

General Damages (Table 4c: Calculation of interest on general damages)

Description	From	Period Since Commencement (years)	Amount	Interest on Damages
Pain and suffering	08/02/2012	4.910	50,000	735
Total interest on past losses				£1,982

Future Loss of Earnings

Period of Future Loss

Start of loss period	06/01/2017
End of loss period	16/11/2048

Gross Earnings Summary

Period	Years	Annual Projected	Annual Actual
06/01/2017 - 16/11/2048	31.87	£35,492 pa	£0 pa

Projected Net Earnings

Table 5: Calculation of projected annual net earnings

Date from	6 Jan 17	6 Apr 17
Date to	5 Apr 17	16 Nov 48
Days in period	90	11548
	£	£
Total earnings	35,492	35,492
Personal allowance	(11,000)	(11,500)
Taxable earnings	24,492	23,992
Income tax		
Basic Band	(4,898)	(4,798)
Total income tax	(4,898)	(4,798)
National insurance		
Class 1 Lower Earnings	(3,292)	(3,292)
Total national insurance	(3,292)	(3,292)
Total deductions	(8,190)	(8,090)
Projected annual net earnings	<u>£27,302</u>	<u>£27,402</u>

Actual Net Earnings

Table 6: Calculation of actual annual net earnings

Date from	6 Jan 17
Date to	16 Nov 48
Days in period	11638
	£
Total earnings	0
Personal allowance	(11,000)
Taxable earnings	0
Income tax	
Total income tax	0
National insurance	
Total national insurance	0
Total deductions	0
Actual annual net earnings	<u>£0</u>

Projected Net Earnings

Period	Annual Gross	Annual Net
06/01/2017 - 05/04/2017	35,492	27,302
06/04/2017 - 16/11/2048	35,492	27,402

Actual Net Earnings

Period	Annual Gross	Annual Net
06/01/2017 - 16/11/2048	0	0

Projected Multiplier Computation

Age at Trial		35.137
Assumed Trial Date		05/01/2017
Age at Retirement		67
Pre-discount Multiplier		21.36
Discount		
	Level of Education	GCSE
	Working at assumed trial date	Yes
	Medical Status	Not Disabled
	Gender	Male
Discounting Factor		0.89
Post-discount Multiplier		19.01

Future Net Loss

Table 7: Calculation of total future loss of earnings (see Tables 5 & 6 for calculation of projected and actual annual net earnings)

From	To	Term Certain Multiplier (cumulative)	Projected					Actual					Net Loss
			Term Certain Multiplier (for period)	% of Ogden Multiplier	Apportioned Ogden Multiplier	Annual Net	Future Net Earnings	Term Certain Multiplier (for period)	% of Ogden Multiplier	Apportioned Ogden Multiplier	Annual Net	Future Net Earnings	
							A					B	A - B
06/01/2017	05/04/2017	0.24	0.24	1.09%	0.21	27,302	5,733	0	0%	0	0	0	5,733
06/04/2017	16/11/2048	22.06	21.82	98.91%	18.80	27,402	515,158	0	0%	0	0	0	515,158
Total			<u>22.06</u>	<u>100%</u>	<u>19.01</u>		<u>520,891</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>	<u>£520,891</u>

Total future net loss of earnings

£520,891