

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL  
No. 1832 Session of  
1987

INTRODUCED BY MORRIS, BRANDT, GAMBLE, MOEHLMANN, CHADWICK,  
WOZNIAK, HECKLER, MARKOSEK, LANGTRY, LIVENGOD, FLICK AND  
BUSH, OCTOBER 13, 1987

REFERRED TO COMMITTEE ON JUDICIARY, OCTOBER 13, 1987

AN ACT

1 Amending Title 42 (Judiciary and Judicial Procedure) of the  
2 Pennsylvania Consolidated Statutes, providing for reduction  
3 of damage awards to present worth.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Title 42 of the Pennsylvania Consolidated  
7 Statutes is amended by adding a section to read:

8 § 8305. Reduction of damage award to present worth.

9 (a) General rule.--In an action alleging damages for bodily  
10 injury or death, the trier of fact shall reduce all items of  
11 damage awarded for future loss of earning capacity to their  
12 present worth by application of a simple interest discount  
13 factor equal to the average yearly index of five-year United  
14 States Government note interest rates.

15 (b) Computation.--By January 31, based on available  
16 statistics, the Secretary of Banking shall compute the average  
17 yearly index of five-year United States Government note interest  
18 rates in the following manner:

1       (1) Make a determination for each calendar year of the  
2       five-year base period of the average yearly interest rate  
3       payable by the Federal Government in each year on United  
4       States Government treasury notes issued in that year with  
5       maturities of five years. If, for any year of the five-year  
6       base period, no United States Government treasury notes with  
7       maturities of five years have been issued, the secretary  
8       shall make a determination for each calendar year of the  
9       five-year base period of the average yearly interest rate  
10       payable by the Federal Government in each year on United  
11       States Government treasury notes issued in that year with  
12       maturity closest to five years.

13       (2) Determine the sum of the average yearly interest  
14       rates for each year in the five-year base period and divide  
15       this sum by five, the number of years in the five-year base  
16       period.

17       (3) File the quotient under paragraph (2) with the  
18       Legislative Reference Bureau for publication in the  
19       Pennsylvania Bulletin as the average yearly index of five-  
20       year United States Government note interest rates. The  
21       average yearly index of five-year United States Government  
22       note interest rates shall be effective upon publication to  
23       the Pennsylvania Bulletin and shall apply to damage awards  
24       for future loss of earning capacity entered after  
25       publication.

26       (c) Definition.--As used in this section, the term "five-  
27       year base period" means that period of five calendar years  
28       immediately preceding the January in which the secretary is  
29       making the calculations of the average yearly index of five-year  
30       United States Government note interest rates.

1       Section 2.   This act shall apply to actions that are  
2   commenced after the effective date of this act.  
3       Section 3.   This act shall take effect in 60 days.