

CALCULATING LUMP SUM DISCOUNTS ON \$10,000 OR LESS

When a claimant requests a lump sum of \$10,000 or less per C.R.S. § 8-42-107(8), calculations may be done with a simple calculator. The following table should provide the appropriate tools for calculating an award with the applicable 4% discount.

The table below reflects the present worth of \$1.00 taken over time increments of whole weeks.

WKS	PW	WKS	PW	WKS	PW	WKS	PW	WKS	PW	WKS	PW
1	.999	13	12.932	25	24.757	37	36.476	49	48.090	61	59.599
2	1.998	14	13.921	26	25.738	38	37.448	50	49.053	62	60.554
3	2.995	15	14.910	27	26.718	39	38.419	51	50.015	63	61.507
4	3.992	16	15.898	28	27.697	40	39.389	52	50.977	64	62.460
5	4.989	17	16.885	29	28.675	41	40.359	53	51.938	65	63.413
6	5.984	18	17.872	30	29.653	42	41.328	54	52.898	66	64.364
7	6.979	19	18.858	31	30.630	43	42.296	55	53.858	67	65.315
8	7.973	20	19.843	32	31.606	44	43.264	56	54.816	68	66.265
9	8.966	21	20.827	33	32.582	45	44.230	57	55.774	69	67.215
10	9.959	22	21.811	34	33.556	46	45.196	58	56.732	70	68.163
11	10.950	23	22.794	35	34.530	47	46.162	59	57.688	71	69.111
12	11.942	24	23.776	36	35.504	48	47.126	60	58.644	72	70.059

The following is an example of a lump sum calculation on an award for \$10,000 or less:

The claimant has requested a lump sum on an award for \$7542.73. The payout rate is \$217.42.

$$\$7542.73 \div \$217.42 = 34.692 \text{ weeks}$$

The present worth of \$1.00 for 34.692 weeks is determined by adding the present worth for 34 weeks to the present worth of a portion of a week (.692). To determine the present worth for the portion of a week, follow these steps.

In accordance with the chart, the present worth is between 34 and 35. Determine the difference between the values for these weeks and multiply by .692 (the portion of a week listed in the above equation).

$$\begin{array}{r} 35 \text{ weeks} = 34.530 \\ \text{minus } 34 \text{ weeks} = 33.556 \\ \hline .974 \times .692 = .674 \end{array}$$

Add the present worth listed for 34 weeks (**33.556**), to the present worth of a portion of a week (**.674**) to determine the present worth of \$1.00 for 34.692 weeks. Multiply the present worth value (**34.230**) by the payout rate (\$217.42) to determine the amount due. The difference will be the discount.

$$33.556 + .674 = 34.230 \quad (\text{This is the present worth of } \$1.00 \text{ for the period of } 34.692 \text{ weeks.})$$

$$34.230 \times \$217.42 = \$7442.29 \quad (\text{This is the discounted award.})$$

$$\$7542.73 - \$7442.29 = \$100.44 \quad (\text{This is the discount.})$$