

# State of South Carolina

1333 Main Street, 5<sup>th</sup> Floor  
P.O. Box 1715  
Columbia, S.C. 29202-1715



TEL: (803) 737-5700  
FAX: (803) 737-5764

## *Workers' Compensation Commission*

**TO: Commuted Value Discount Advisory Committee**

**FROM: Gary M. Cannon**

**DATE: January 7, 2013**

**RE: Recommendation to the Commission**

I apologize for the delay in providing this information to you. This is a summary of the action taken by the Committee at the meeting on November 14, 2012, with regard to a recommendation to the Commission.

The Committee recommends the Commission amend the language in Regulation 67-1605 Lump Sum Payment to include the following provisions.

*No change in the commuted value discount rate of 2% for installments to accrue for the first one-hundred weeks.*

*Installments yet to accrue of one-hundred one through five hundred weeks shall be discounted at the yield-to-maturity rate of the Five Year U.S. Treasury Note as published by the United States Treasury Department on the first business day after January 1<sup>st</sup> each year, but in no case shall the discount rate exceed six percent or be less than two percent.*

*The Commission shall publish a present value table showing the conversion factors for weeks one-hundred and one through five-hundred on the first business day following January 1<sup>st</sup> of each year.*

*The present value table for weeks one-hundred and one through five-hundred published on the first business day following January 1<sup>st</sup> shall apply to all awards*

*made during the year until a new present value table is published the following year.*

*The present value of the commutable weeks shall be determined based on the present value tables in effect on the date of the award or settlement.*

My record of the meeting reflects the Committee discussed the following matter however it was not included in the motion.

*In the event the Commission makes an award of a partial lump sum in excess of five-hundred weeks in accordance with S.C. Code § 42-9-10(C) and § 42-9-10(D), the discount rate shall be determined on a case by case basis.*

The matter will be scheduled for consideration by the Commission at the next Business Meeting.

Thank you for your participation on this committee.