8.11 DAMAGES CHARGES — GENERAL

H. CAPITALIZATION (pre-1984)

The plaintiff introduced testimony that $ _____ is the amount which if invested today at 3½% compound interest would produce $1.00 per year for the _____ years of his/her life expectancy [or work life expectancy]. You may apply this figure of $ _____ in your award of damages, if any, for future loss of earnings but you need not do so or you may make such adjustment in it as you determine to be fair and reasonable.

If you apply the figure of $______, do so as follows: determine the amount of the plaintiff's loss of earnings proximately caused by this injury and disability starting today into the future. This may be an amount based upon the difference between what you find the plaintiff would have earned if it had not been for this injury and disability and what you find he/she will earn in such employment as he/she is physically capable of undertaking. Reach your calculation of the amount to be awarded for his/her future loss of earnings by multiplying $______ by what you have determined to be the plaintiff's average dollar loss of earnings per year from now into the future. That amount, or such other amount as you arrive at fairly and reasonably, should be included in your verdict to compensate the plaintiff for his/her future loss of earnings.

NOTE TO JUDGE

This model charge may be adapted to provide a formula for calculation of the pecuniary loss to the dependents or next of kin in wrongful death actions.

Further explanatory language to supplement this model charge: "The law says we must ascertain the present value of future losses. Our rules have provided a method which may be used in ascertaining the present value of future losses. There is a difference in the value of an amount of money given as a lump sum at the present time and the present value of the same amount given in periodic future payments, such as weekly (monthly) contributions over a period of years during the next of kin's anticipated life expectancy. A sum of money due at some future time is not worth that much today because if you were paid today you would have the money to invest and it would earn interest. You take the amount you wish to have in the future and discount it, that is, reduce it making allowance for the interest you would earn by getting the money earlier."

Cases:

Koppovich v. LeWinter, 43 *N.J. Super*. 528, 533 (App. Div. 1957), *certif. den.* 24 *N.J.* 112 (1957); *Dickerson v. Mutual Grocery Co.*, 100 *N.J.L.* 118, 120 (E. & A. 1924).