Actual Loss of Earnings in Kentucky Wrongful Death Cases

Actual loss of earnings is just that, how much income the decedent would have made had the death not occurred. This figure can be calculated by determining the amount of money the person would have made from the date of death to the present date and the amount that the person would have made in the future. If the decedent was employed at the time of death and had a history of reported earnings, those earning figures are used to calculate the loss of actual earnings.

For example, if the decedent was a school teacher earning a salary of $40,000 per year and died in an accident, the lawsuit would claim the amount of money that was unearned from the date of death to the present time. The lawsuit would also look to the future to see how many more years the teacher would have likely worked before retirement. If the teacher was a young teacher, the loss of earnings could be the sum of another forty years of salary. The future earnings would be increased for the rate of inflation every year. If the teacher was just a few years from mandatory retirement, the amount would be much less than for the young teacher.

In calculating the future loss of earnings, it is necessary to consider expected annual pay raises and the effect of inflation on the earnings. When the future earnings number is totaled up, the economist then uses a formula to reduce the total amount to the present value.