

Alert No. 2017-4

U.S. ASR Hip Settlement Alert – 10/16/17

Calculating Pro Rata Payment Amounts for Claimants with Eligible Extraordinary Injury Fund Claims in the 2013 Settlement

- 1. Introduction.** The Claims Processor has completed the processing of all claims submitted in the EIF Program for the 2013 Settlement (“2013 EIF”). The SOC, in conjunction with the Claims Administrator, Claims Processor, and Special Masters (the “Team”), has decided to disburse the additional funds remaining in the 2013 EIF to eligible claimants on a pro rata basis. This Alert describes the methodology to determine a claimant’s pro rata payment for his or her remaining share of the 2013 EIF.
- 2. Authority to Set Methodology.** Section 8.2 of the Settlement Agreement for the 2013 Settlement states that the Team and the SOC are responsible for the allocation and budgeting of the EIF.
- 3. Methodology for Calculating Payments to Eligible Claimants.** The Claims Processor will issue a pro rata distribution to all claimants who participated in the 2013 EIF and have at least one eligible EIF claim. These eligible claimants will receive a proportional share of the remaining EIF money on a pro rata basis determined by dividing the aggregate value of their total PART B EIF payments by the total value of all eligible PART B EIF payments in the 2013 Settlement. Each eligible claimant will receive an additional payment of 7.77% of the value of his or her aggregate eligible EIF payments.
- 4. Calculation Examples.** The Claims Processor prepared two sample calculations to illustrate the application of the pro rata share to exemplar claimants:

- (a) A claimant with an eligible Past Matrix Level VII Award for Age at the time of Revision for \$12,500 and a denied Matrix Level III claim will receive a pro rata payment of \$912.98.

With Past Matrix Level VII Award of \$12,500, the claimant received a \$11,750 EIF payment after application of the 6% Common Benefit Fee Withholdings, so the pro rata distribution will be:

$$\$11,750 * 7.77\% = \$912.98$$

- (b) A claimant with a Past Matrix Level II Dislocation Award for \$15,000 and Matrix Level VII Lost Earnings Award of \$150,000 will receive a pro rata payment of \$12,051.27.

With Past Matrix Level II Award of \$15,000 plus a Past Matrix Level VII Lost Earnings Award of \$150,000, the claimant received aggregate EIF payments of \$155,100 after application of the 6% Common Benefit Fee Withholdings, so the pro rata distribution will be:

$$\$155,100.00 * 7.77\% = \$12,051.27$$

- 5. Notification of Pro Rata Payment Amounts.** The Claims Processor created a new EIF claim for each eligible claimant to include the pro rata payments on a Funding Report, but will not issue separate EIF Notices to individual claimants with the calculated pro rata payment amounts. We will include the pro rata payment amounts for individual claimants on the Firm Funding Report available on the ASR Portal after the Escrow Agent issues payment. Unrepresented claimants who are eligible to receive a pro rata payment may contact the Claims Processor at 1 (877) 391-3169 for more information on their pro rata payment value.
- 6. No Right of Appeal.** Claimants may not contest or appeal the application of the calculations described in this Alert.
- 7. Timing and Amount of Payments.** The Claims Processor initiated the payment process for the pro rata payments by placing these claims on the 10/16/17 Funding Report. Based on the timing and number of steps in the payment process required by the 2013 Settlement Agreement, you can expect to receive payment approximately four to six weeks from the Funding Report date.
- 8. Next Steps to Receive Pro Rata Payment.** Claimants and attorneys with claimants eligible to receive a pro rata payment should log on to their ASR Portal and confirm that the information on the Elected Payment Method is current and accurate. You should also ensure that you have submitted a complete and accurate IRS Form W-9. **To avoid any delay in processing your payment, you need to make any updates to your Elected Payment Method and Form W-9 within one week of this Alert, or by 10/23/17.** For security purposes, do not email the Claims Processor updated payment instructions. If you need to make any changes to your payment methodology and have questions on how to do so, contact the Claims Processor by one of the methods listed in paragraph 10 below.
- 9. Application to the Extraordinary Injury Fund Claims in the 2015 Settlement Program or 2017 Extension to the 2015 Settlement Program.** This pro rata process is only applicable to claimants with eligible EIF claims submitted in the 2013 Settlement. The Claims Processor will post a separate Alert if the SOC and the Team later determine that sufficient funds remain from the 2015 Settlement and/or the 2017 Extension to the 2015 Settlement for an additional pro rata distribution for claimants eligible in the 2015 Settlement.
- 10. Questions.** If you have any questions about this Alert, call or email your assigned Claims Processor contact, email us at claimsprocessor@usasrhipsettlement.com, or call 1 (877) 391-3169.