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SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

FRANK A. RAINWATER
Executive Director

MEMORANDUM

To: Legislative Council

From: Frank A. Rainwater, Executive Director

FRK

Date: January 28, 2022

Subject: Punitive Damage Award Limitation – Inflation Component

This memo is to provide the annual update regarding the applicable inflation adjustment to awards of punitive damages. Pursuant to §15-32-530(D), the limit on these awards is adjusted each calendar year based on the increase or decrease in the ratio of the Consumer Price Index for All Urban Consumers published by the U.S. Department of Labor, Bureau of Labor Statistics as of December 31 of the previous calendar year. The adjustment is a cumulative index using a base year of 2010. The 2010 base year was adopted to be consistent with the timing of the enacting legislation. As of December 31, 2021, the index increased by 27.2 percent from a value of 219.179 in December 2010 to 278.802 in December 2021. With this inflation factor, the limit increases to \$636,014.

The attached table displays the historical inflation adjustments to awards of punitive damages. If we may be of additional assistance, please feel free to contact Mary Katherine Miller at marykatherine.miller@rfa.sc.gov or (803) 734-3322.

| Punitive Damages Limitation Inflation | | | | |
|--|---------|---|---|-----------------------------------|
| CPI (All Urban Consumers) | | Annual Percent Increase (Dec. to Dec.) | Cumulative Index Adjustment from Dec. 2010 | Punitive Damage Limitation |
| 2010 Dec | 219.179 | N/A | N/A | \$500,000 |
| 2011 Dec | 225.672 | 3.0% | 3.0% | \$514,812 |
| 2012 Dec | 229.601 | 1.7% | 4.8% | \$523,775 |
| 2013 Dec | 233.049 | 1.5% | 6.3% | \$531,641 |
| 2014 Dec | 234.812 | 0.8% | 7.1% | \$535,663 |
| 2015 Dec | 236.525 | 0.7% | 7.9% | \$539,570 |
| 2016 Dec | 241.432 | 2.1% | 10.2% | \$550,764 |
| 2017 Dec | 246.524 | 2.1% | 12.5% | \$562,381 |
| 2018 Dec | 251.233 | 1.9% | 14.6% | \$573,123 |
| 2019 Dec | 256.974 | 2.3% | 17.2% | \$586,219 |
| 2020 Dec | 260.474 | 1.4% | 18.8% | \$594,204 |
| 2021 Dec | 278.802 | 7.0% | 27.2% | \$636,014 |

Note: The adjusted limitation on an award for punitive damages becomes effective upon publication in the State Register pursuant to §1-23-40(2).