



The following topics were discussed in the conference call with law firms held on June 15, 2016. The call covered important updates related to the reauthorization of the VCF.

- **Group A Update:**

- We have paid over \$1.52 billion dollars to claimants since the VCF reopened in 2011. This includes all payments made to date – either partial or in full – on Group A claims. As of the end of the day on June 12, we have authorized the final payment on 8,930 Group A claims. We have less than 200 Group A claims left to be authorized for full payment.
- We want to start rendering Group B decisions at the end of June but can only do that if all Group A payments have been authorized (thereby making it possible for Group B funding to be available to pay claims). As mentioned on our [May 24 conference call](#), if at the end of June we still have claims with unresolved issues that prevent us from making the actual payment, we will authorize the payment amount on the claim and the DOJ accounting office will place the funds into an account from which the future payment can be made. We have set **June 24, 2016** as the date this accounting activity will take place. This allows us to authorize all Group A payments and reconcile the accounting of Group A funding, and confirm the availability of Group B funds in time to begin issuing Group B decisions at the end of June.
- If one of your claims with an issue preventing payment has not been resolved by June 24, 2016, we will continue to work closely with you until the actual payment is made. However, there may be a slight delay in processing the payment once the issue is resolved as we need to confirm the final Group A accounting with the DOJ budget office before they can process the payments on these claims.

- **Group B Claims:**

- **Economic Loss:** For purposes of calculating economic loss, the statute caps Annual Gross Income (“AGI” as defined in the Internal Revenue Code) at \$200,000 for each year of loss. This is a cap on the annual computation of loss and incorporates benefits, growth rate, etc. A claimant can very easily reach \$200,000 AGI in a future year of computed loss even if the annual salary at the time of the disability is much lower. For example, if the victim was young at the time of the disability, once you factor in the salary, benefits, and growth rate for future years, the cap can be reached. When the Group B decisions are issued, you will see that the awards are different from Group A when comparing claimants in “like” situations.

As in the past, if we are ready to render a determination on a claim and are still missing information that would impact the economic loss calculation, we will decide the award at the time the claim is reviewed and you can always amend in the future once the information is available. If you submitted information after the time the claim was reviewed – i.e. you have already submitted the information, we will consider that submission to be an amendment and it will be reviewed generally in the order submitted.

- **Non-economic Loss:** The reauthorization statute caps non-economic loss and instructs the Special Master to prioritize claims for victims who are determined by the Special Master to be suffering from the most debilitating physical conditions. The statute provides that such individuals should not be unduly burdened by procedures necessary to maintain the aggregate funding cap. The Special Master interprets this requirement to mean that the available funds should be prioritized for those with the most debilitating conditions. Therefore, non-economic loss awards for such claims will be at the higher end of the range of awards and non-economic awards for those with much less serious conditions will be at the lower end of the range of awards. This means the non-economic awards for victims with conditions that are less serious or less debilitating will be lower than they were under Group A. In some cases, typically involving milder conditions that have a limited effect on daily life, the non-economic award could be 50% lower. There are also certain categories of conditions, such as Asthma, for which you will see a wide range of values because the impact and severity can vary greatly across individuals. As always, the VCF will evaluate each claim individually and will take into account the individual circumstances and condition of the victim in determining the award.



If you have a client with a more common condition, and you believe the claimant's case is more severe, you should provide documentation showing the severity, such as medical records showing the treatments and prognosis, so we can consider this when determining the non-economic loss.

- **Minimum Awards:** The statute also removes the minimum awards and you should prepare your clients for the possibility of \$0.00 awards or awards less than \$10,000. The new statute requires the Special Master to compute the loss and then deduct any collateral offsets without applying any minimum award. As a result, some claimants will not receive an award because the amount of the offset exceeds the amount of loss.
- **Timing of Group B determinations:** We continue to review claims and send "Group B Complete" letters to claimants to inform them their claim has been reviewed and any eligible loss has been determined. We expect to begin issuing the first Group B award determinations at the end of June, with the first letters going out in early July. In general, we will enter Group B decisions starting with the expedited claims and then issue decisions based on the age of the claim (oldest first). Based on this schedule and our assumptions about when Group A payments will be "closed," we expect that the first payments will be authorized in mid-August. Again, this is contingent on finalizing the accounting for Group A payments and the subsequent availability of Group B funding.

When you receive the Group B award letter, you will notice that it includes language from the Compensation Substantially Complete letter. We have combined the two letters into one decision letter so you will no longer receive a separate Substantially Complete letter for each claim.

Our overall goal is to complete the review of the majority of Group B claims and amendments submitted prior to January 29, 2016 (the date the forms were removed from the online system) prior to the release of the new claim form at the end of July. This is an aggressive goal given that the majority of our claim reviewers spent the last several months focused on Group A payments. The team is now focused again on claim review and we expect to see a faster rate of throughput on Group B claims.

- **Update on regulations:** The Interim Final Rule is effective as of today and has been posted on our website and the Department of Justice website for public inspection and review. It has been formally published in the Federal Register and the 30-day comment period has begun for any public comments. The public comment period runs through Friday, July 15th at midnight. Information on how to submit comments can be found in the document. All comments become part of the public record. As a reminder, The Special Master is only required to consider comments on the revised sections. Any sections that were not revised have already been through the final rule making process and are not open for comment.

The entire text of the regulations was published, along with a redline version showing the changes as compared to the 2011 version. The changes are mainly to conform to the statute, with some additional changes that are beneficial to claimants – such as no longer requiring tax returns to be submitted with every claim.

By publishing the regulations as an Interim Final Rule, they are effective today and we can begin issuing Group B compensation decisions as soon as Group B funding becomes available, while still allowing us to carefully consider any comments received post-publication and make any necessary changes before issuing a Final Rule.

- **Update on new claim form:** As you know, we have been working on an updated claim form. The Office of Management and Budget ("OMB") has approved the form and we posted a [sample version](#) of the revised form to our website today. We have also posted a sample of the updated [Document Checklist](#) to the website.

The sample form cannot be submitted as a claim, but provides you with a guide you can use to work with your clients to understand the type of information and documents that will be needed once we begin accepting new claims. We hope you can use this now to begin working with your clients to



gather the needed information and documents so you will be prepared to submit claims when the form becomes available at the end of July.

Some of the key changes you will notice on the form include:

- It is now one claim form that combines Eligibility and Compensation and can be used for Personal Injury claims and claims for deceased individuals.
- We have modified our terminology slightly to reduce confusion. For example, we now refer to the “claimant” as the person who is completing the form and the “victim” as the person who was injured as a result of 9/11. For our PI claims, the victim and claimant are the same individual.
- The signature pages (attestations/certifications/exhibits) have been reduced in number and simplified to make it easier to complete them properly.
- The document checklist is still available as a reference and has been updated to make it a more useful tool for claimants.
- The Private Physician forms are now part of the claim form to make it easier for those victims who know when submitting the form that they will need to include this information. The updated Private Physician forms will also continue to be available as separate forms for use when amending a claim to add a new condition.

As you look at the new form, please remember that you are looking at the hard copy sample, which must include every question and scenario. The online version is being developed and is much “smarter” in that it will only present questions that are applicable based on answers to prior questions and the unique circumstances of the claim.

Colleen will be contacting you to schedule a training session for your attorneys and paralegals to walk you through the new claim form and the changes being made to our website. These trainings will take place at the end of July to align with the release of the new online claim form so that all the new information can be covered in a single training session. In the interim, as you meet with Colleen in the weeks ahead, she will answer any questions you have about the sample form or the website.

If you previously filed an Eligibility Form and have been waiting to file the Compensation Form, you should receive the eligibility decision before the end of July when the form becomes available. Our goal is to complete all eligibility decisions by the time the new form is released.

- **Website updates:** If you have been to our website today, you likely noticed that it looks a little different. As mentioned on our recent calls, we have been working on several updates to the site. The updates posted today are the first in a series of updates focused on two main goals: (1) making sure the content reflects the reauthorization and the changes associated with Group B claims; and (2) simplifying the “look and feel” of the site so it is easier to navigate and find specific information.

The more noticeable changes in today’s update are changes to the “look and feel” of the main pages of the site. The pages should now be much simpler to navigate. We have also made updates in several places, such as “News and Reports,” to move older information to the archive so the more current information is more prominent. Changes were also made to the format of the “Information for Law Firms” page based on information we received from many of you.

We are continuing to review all of our Frequently Asked Questions (“FAQs”) and other website materials and will be posting several sets of updates between now and the end of July when the new claim forms are released. We had hoped to post a set of updated FAQs and policy materials today, but are still finalizing that content. As always, we will send you an email notifying you each time updates are posted to the site.

Your comments and feedback are welcome and much appreciated – please share them with Colleen.

- **General Reminders:**
  - **Notifying VCF regarding offsets:** When we met in March in New York, one of the questions raised at the meeting was about the claimant’s obligation to notify the VCF of any new offsets once the initial award decision has been made on the claim. As noted at the meeting, our loss letters include language reinforcing this obligation and it is one we take seriously. We have discussed this in more detail and have decided to implement a policy



allowing the claimant 90-days to notify the VCF from the time they learn of the new offset. If reported to the VCF within the 90 days, we will not modify the loss calculation. We will be updating the language in our letters and will post a form to our website for claimants to use to notify us of the new offset. If the claimant notifies us after the 90-days, or if we learn of the offset through other means, the loss calculation may be modified.

- **Charitable payments as offsets:** Payments that a claimant receives from a charity are not considered offsets. The VCF does not offset voluntary contributions or contingent offsets. This has always been the case and will not change under Group B.
- **New claimants who have not registered:** We have been receiving questions from attorneys regarding claimants coming into their office with a cancer diagnosis. The cancer appears to be an eligible cancer but they have not registered with the VCF so they may not be timely. We encourage every claimant to register as soon as they can. We evaluate every claim individually to determine timeliness based on the unique circumstances of that individual. Please register these individuals as soon as possible so we can review the information and decide whether or not it is timely. We are also looking at how to review the timeliness submission and provide an answer prior to your doing extensive work to get the claim compiled and submitted. Note also that if any one condition is timely, we consider the claim/claimant to be timely.
- **Hearings and cancelling a hearing:** We have had a few recent instances where a scheduled hearing was cancelled and the VCF was notified by a document uploaded to the claim. Moving forward, if you are cancelling a hearing, please upload the request and title the document "Appeal Withdrawal" **and** call the NYC office to notify them that you have cancelled the hearing. The office can be reached at 212-619-3215.