

U. S. DEPARTMENT OF LABOR

Employees' Compensation Appeals Board

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In the Matter of WILLIAM L. HOFFPAUIR, JR. and DEPARTMENT OF JUSTICE,  
BUREAU OF PRISONS, Oakdale, LA

*Docket No. 01-2225; Submitted on the Record;  
Issued April 15, 2002*

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DECISION and ORDER

Before ALEC J. KOROMILAS, DAVID S. GERSON,  
A. PETER KANJORSKI

The issue is whether the Office of Workers' Compensation Programs properly denied appellant's request for a lump-sum payment of disability compensation.

In December 1987 the Office accepted that appellant, then a 31-year-old corrections officer, sustained an anxiety reaction in the performance of duty on November 26, 1987. Appellant received continuing compensation from the Office for periods of total disability. In June 2001 appellant requested that his future disability compensation payments be made in a lump-sum payment. By decision dated August 24, 2001, the Office denied appellant's request on the grounds that it had determined that lump-sum payments will not be made to persons entitled to wage-loss benefits.

The Board finds that the Office properly denied appellant's request for a lump-sum payment of disability compensation.

Section 10.422 of the Office regulations<sup>1</sup> provides:

“(a) In exercise of the discretion afforded under 5 U.S.C. § 8135(a), [the Office] has determined that lump-sum payments will not be made to persons entitled to wage-loss benefits (that is, those payable under 5 U.S.C. § 8105 and § 8106). Therefore, when [the Office] receives requests for lump-sum payments for wage-loss benefits, [the Office] will not exercise further discretion in the matter. This determination is based in several factors, including:

- (1) The purpose of the [Federal Employees' Compensation Act], which is to replace lost wages;

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<sup>1</sup> 20 C.F.R. § 10.422.

(2) The prudence of providing wage-loss benefits on a regular, recurring basis; and

(3) The high cost of the long-term borrowing that is needed to pay out large lump sums.”

In the present case, appellant made a request for a lump-sum payment of his disability compensation, *i.e.*, his compensation for loss of wages. Given the above-detailed Office regulation, appellant would not be eligible to receive a lump-sum payment for wage-loss benefits. Therefore, the Office properly denied appellant’s request for a lump-sum payment of disability compensation.

The August 24, 2001 decision of the Office of Workers’ Compensation Programs is affirmed.

Dated, Washington, DC  
April 15, 2002

Alec J. Koromilas  
Member

David S. Gerson  
Alternate Member

A. Peter Kanjorski  
Alternate Member