



In India, **Motor Accident Claims Tribunal (MACT)** compensation is calculated primarily based on the **type of injury** (fatal or non-fatal), **age**, **income** of the deceased or injured person, and the extent of **dependents' loss**, **disability**, or **medical expenses**. Below is a simplified explanation of **how MACT compensation is calculated** in various scenarios:

1. Fatal Accidents (Death Cases)

Formula used:

Compensation = (Annual Income - Personal Expenses) × Multiplier + Conventional Heads

a. Annual Income

If the deceased had a regular income, it is taken as-is (with proof like salary slip, ITR).

If not, the notional income is assumed (₹15,000 to ₹50,000 per annum as per case law, but varies case-to-case).

b. Deductions (Personal Expenses)

- 1/3rd for married (with dependents)
- 1/2 if unmarried

c. Multiplier (as per age)

Used to calculate future income loss over years:

Age of Deceased Multiplier

Up to 15 yrs	15
16 – 25	18
26 – 30	17
31 – 35	16
36 – 40	15
41 – 45	14
46 – 50	13
51 – 55	11

Age of Deceased Multiplier

56 – 60	9
61 – 65	7
Above 65	5

d. Future Prospects (as per SC Guidelines – *National Insurance Co. Ltd. vs. Pranay Sethi*)

- 50% addition for permanent employees (below 40 yrs)
- 30% if aged 40-50
- 15% if aged 50-60

e. Conventional Heads (fixed compensation)

Heads	Amount (as per Pranay Sethi)
Loss of Consortium (Spouse)	₹40,000 – ₹70,000
Loss of Estate	₹15,000
Funeral Expenses	₹15,000
Parental/Filial Consortium	₹40,000 (per minor/parent)

2. Injury Cases (Permanent/Partial Disability)

Compensation depends on:

- Percentage of **disability** (as per medical certificate)
- **Loss of earning capacity** (if applicable)
- **Medical expenses**, pain, suffering

a. For Permanent Total Disability

Compensation = (Annual Income × % Disability × Multiplier) + Medical + Pain + Future Loss

b. Heads of Compensation

Type of Damage	Typical Compensation
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Type of Damage	Typical Compensation
Pain and suffering	₹20,000 – ₹2,00,000+
Medical treatment (actual)	Bills required
Loss of amenities	₹25,000 – ₹1,00,000
Loss of future earnings	Based on age/income
Conveyance and Special Diet	₹10,000 – ₹50,000
Attendant Charges	₹10,000 – ₹50,000

EXAMPLE: Fatal Case (Married Man, 30 years old, ₹3 lakh annual income)

1. **Income** = ₹3,00,000
2. **Deductions (1/3rd)** = ₹1,00,000
3. **Dependency Income** = ₹2,00,000
4. **Multiplier (age 30)** = 17
5. **Future Prospects (50%)** = ₹1,00,000 (added)
6. **Total Annual Contribution** = ₹3,00,000

Total Compensation = ₹3,00,000 × 17 = ₹51,00,000

Add: ₹15,000 (funeral) + ₹15,000 (estate) + ₹40,000 (consortium)

Final Compensation = ₹52,70,000

Important Judgments on MACT Compensation

- **Sarla Verma vs. DTC (2009)** – For standard multipliers
- **Pranay Sethi vs. National Insurance Co. (2017)** – For future prospects and conventional heads
- **Rajesh vs. Rajbir Singh (2013)** – Enhanced conventional head compensation
- **Magma General Insurance vs. Nanu Ram (2018)** – Consortium to parents and children