

**PAYMENT OF COMPENSATION BENEFITS**

**Types of Compensation**

**Annuity**

<b>ANNUITY</b>				
	<b>Annuity at 65</b>	<b>Other Annuities</b>	<b>Section of Act</b>	<b>Policy (if any)</b>
AB	Alberta does not pay an annuity. Instead, the Economic Loss Payment is adjusted upon reaching retirement age (usually age 65 but may be later) to reflect the loss of retirement income, rather than employment income, and continues for the life of the worker. The adjustment formula is similar to those used for employment pensions.	N/A	N/A	<a href="#">04-04, Part II, Application 3</a>
BC	In BC, the Board is required to set aside an additional amount equal to 5% of each payment toward a retirement benefit, which is invested. The worker may contribute an amount from 1% to 5%. On retirement, the worker will receive the retirement benefit as a lump sum award.	N/A	<a href="#">Workers Compensation Act</a> (s. 23.2 & 23.3)	<a href="#">Rehab Services &amp; Claims Manual</a> (#116.00 - #116.30)
MB	<p>In Manitoba, after a wage loss has been paid for 24 cumulative months, the WCB sets aside a percentage of future wage loss benefits to form a retirement annuity, generally payable at age 65. This percentage depends on the amount contributed by the employer to the worker's company pension plan before and after the accident.</p> <p>Where the employer's contribution rate before the injury was 5% or less, the WCB will set aside the difference between 5% and the employer's contribution rate after 24 cumulative months.</p> <p>Where the employer's contribution rate before the injury was more than 5% but did not exceed 7%, the WCB will set aside the difference between the employer's contribution rate before the injury and the employer's contribution rate after 24 cumulative months.</p> <p>Where the employer's contribution rate before the injury was more than 7%, the WCB will set aside the difference between 7% and the employer's contribution rate after 24 cumulative months.</p> <p>The worker has the option of contributing up to the same percentage of future wage loss the WCB is contributing towards the annuity. If the worker dies before electing the type of annuity, a lump sum is payable to the spouse or common-law partner. If this lump sum is greater than an amount determined by the WCB, the spouse or common-law partner may convert this sum into an annuity. This threshold amount is \$14,300 in 2011. If there is no spouse or common-law partner, this lump sum is payable to the estate. The annuity benefits are also divisible on marriage break-up.</p>	In Manitoba, a worker, spouse, or common-law partner can choose from a variety of annuity options. If the lump sum payable for an impairment award, retirement benefit or fatality benefit is above a certain threshold, the worker, spouse or common-law partner can obtain independent financial advice up to \$400.00 to assist in choosing one of the annuity options. In 2011, this threshold level is \$35,750. If the worker, spouse or common-law partner selected a particular type of annuity and dies before the annuity term expires, a designated beneficiary, or the estate, is entitled to receive the balance of the annuity. If an annuity is unclaimed after six years, it is paid into the Accident Fund.	<a href="#">Workers Compensation Act</a> (s. 36, 42)	<a href="#">44.100.20 Other Entitlements - Annuities</a>

*Source: Association of Workers' Compensation Boards of Canada – 2011*

\*\*These tables have been designed for general information purposes only. The AWCBC makes no representations as to the completeness or accuracy of the information (which is not exhaustive) and individual workers' compensation boards/commissions should be contacted for specific or additional information and clarification. For links to legislation, see: [here](#). For links to policy, see: [here](#).

ANNUITY				
	Annuity at 65	Other Annuities	Section of Act	Policy (if any)
NB	In New Brunswick, when a worker is in receipt of benefits for 24 consecutive months, an amount equal to 10% <sup>1</sup> of the benefits paid plus interest accrued monthly based on the amount of benefits to which the injured worker is entitled is set aside to offset some of the effect of lost CPP and private pension contributions. The same applies to surviving spouses -- if surviving spouses receive benefits as a result of a fatality since January 1, 1982, they are entitled to set aside 5% or 8%.	-	<a href="#">Workers' Compensation Act</a> (s. 38.22)	<a href="#">Policy 21-206 Funding Annuity Benefits</a>
NL	For injuries after December 31, 1983, the commission will pay workers who are receiving compensation at age 65 an amount equal to the demonstrated loss of CPP Retirement or registered employer sponsored pension plan benefits that the worker has lost as a result of the injury.	N/A	<a href="#">Workplace Health, Safety and Compensation Act</a> (s. 75)	<a href="#">RE-15 - Determining Suitable Employment and Earnings</a>
NT/NU	The Northwest Territories and Nunavut are not required to provide annuities as benefits provided are lifetime pensions.	N/A	N/A	
NS	In Nova Scotia, the percentage set aside to fund the annuity is 5% per month and the annuity is payable at age 65 and may be payable earlier as long as it is a qualifying case and the amount is less than \$10,000.	N/A	<a href="#">Workers' Compensation Act</a> (s. 50-58)	<a href="#">Policy 3.6.1 Amounts to be Reserved to Provide Annuity</a>
ON	In Ontario, after the worker has received loss of earnings benefits for 12 months, the Board is required to set aside an additional amount equal to 5% of each payment toward a retirement benefit, which is invested. The worker may contribute a further 5%. If the worker dies before turning age 65, this retirement benefit may be payable to the spouse, dependants, designated beneficiary, or estate depending on whether the worker's death was work-related. If the worker's death is work-related, the spouse and dependants receive survivor benefits and that portion of the retirement benefit to which the worker had made voluntary contributions. Effective July 1, 2007, the Loss of Retirement Income (LRI) threshold was increased to \$3,000 from \$1,145.63, allowing more workers to receive LRI benefits as lump sums instead of as monthly payments.	In Ontario, there are a variety of annuities which are described in <a href="#">WSIB policy</a> .	<a href="#">Workplace Safety and Insurance Act</a> (s. 45)	<a href="#">18-03-07 Loss of Retirement Income Benefits (Accidents on or after January 1, 1998)</a>
PE	For injuries occurring after January 1, 1995, Prince Edward Island pays workers at age 65 for demonstrated loss of CPP Retirement or registered employer sponsored pension plan benefits.	N/A	<a href="#">Workers Compensation Act</a> (s. 43)	
QC	In Quebec, the right to the income replacement indemnity expires upon the injured worker's 68th birthday or, if he suffers an occupational injury when he is at least 64 years old, four years after the beginning of his disability. The income replacement indemnity is reduced by 25% upon the worker's 65th birthday, by 50% in the second year, and by 75% in the third year after this date. However, the income replacement indemnity of the worker who suffers an occupational injury when he is at least 64 years old and employed is reduced by 25% from the second year following the beginning of his disability, by 50% from the third year, and by 75% from the fourth year following this date.	N/A	<a href="#">Act Respecting Industrial Accidents and Occupational Diseases</a> (s. 56, 57)	

1 On or after January 1, 2009.

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ANNUITY				
	Annuity at 65	Other Annuities	Section of Act	Policy (if any)
SK	In Saskatchewan after a pension has been paid for 24 months, an additional amount of 10% each month is set aside to form an annuity for the worker. At age 65, the disability pension or wage loss ceases and the annuity payment commences. This is felt to mirror most workers' situations where normal earnings cease and a retirement pension or its equivalent commences.	N/A	<a href="#">Workers' Compensation Act, 1979</a> (s. 74)	<a href="#">POL 10/2008</a>
YT	In Yukon <sup>2</sup> , after an earnings loss has been paid for 24 months, an additional amount of 10% each month is set aside to form an annuity for the worker. At the age of eligibility for old age security benefits, the disability pension or wage loss ceases and the annuity payment commences. This is felt to mirror most workers' situations where normal earnings cease and a retirement pension or its equivalent commences.	N/A	<a href="#">Workers' Compensation Act</a> , (s. 32)	<a href="#">FA-06 - Annuities</a>

<sup>2</sup> In the Yukon, compensation must have been payable in respect of the SAME disability for at least 24 months.

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