



YUKON WORKERS'  
COMPENSATION  
HEALTH AND  
SAFETY BOARD

SUBJECT: Annuities POLICY NO.: FN-06  
BOARD APPROVAL: [Signature]  
APPROVAL DATE: 94-07-12  
BOARD ORDER NO.: \_\_\_\_\_  
EFFECTIVE DATE: July 12, 1994

**REVOKED**

## POLICY STATEMENT

OCT 01 2006

SECTION  
REFERENCE:

**20, 27**  
**48**

**Workers' Compensation Act**  
**Workers' Compensation Act (in force prior to January 1, 1993)**

POLICY:

### ANNUITIES

#### GENERAL INFORMATION

This policy shall apply to annuities pursuant to Section 20, **Compensation for permanent impairment**, and Section 27, **Annuity at age 65**, of the Workers' Compensation Act which came into force on January 1, 1993, and Section 48, **Provision of annuity on retirement**, of predecessor legislation as it was in force before January 1, 1993.

#### POLICY

##### **A. DEFINITIONS**

(a) ANNUITY

An annuity is the payment of money in the form of income for a fixed or variable period of time or for the life of the beneficiary.

(b) ACCUMULATED CAPITAL

Accumulated capital means the total amount of money contributed to provide an annuity.

(c) ACCRUED INTEREST

Accrued interest means interest which is accumulated from day to day. It is earned for any interim period between the last interest date and the year-end date.

**B. PURCHASE OF ANNUITY**

The minimum amount required for the purchase of a loss of earnings annuity shall be set by Board Order. If the accumulated capital and accrued interest is the minimum amount or greater, the board shall pay an investment firm, at the direction of the worker, the appropriate funds for the purchase of an annuity.

If the accumulated capital and accrued interest is less than the minimum amount, the board shall pay the worker the accumulated capital and accrued interest rather than an annuity. The lump sum payment shall be set aside in an annuity reserve fund.

A worker shall deal directly with an investment company regarding the type of annuity they wish to purchase. The WCHSB shall pay the investment company directly once the worker has determined the type of annuity they wish purchased on their behalf. The annuity shall be purchased in the name of the worker. The WCHSB shall not administer the annuity.

Permanent impairment annuities shall be treated in the same manner as loss of earnings annuities regarding the payment of annuities. The lump sum payment shall be set aside in an annuity reserve fund. The capital and accrued interest shall be used to purchase an annuity for the worker on their election or at age 65. There is no minimum amount required for the purchase of a permanent impairment annuity.

**C. INVESTMENT COSTS**

Monies set aside for the purchase of an annuity shall be used to pay any cost resulting from consulting an investment company. The WCHSB shall pay the consulting firm on behalf of the worker. The WCHSB shall not cover any costs related to a worker consulting an investment firm regarding the purchase of an annuity.

**D. DEATH OF THE WORKER**

All monies set aside for the purchase of a permanent impairment or loss of earnings annuity including accumulated capital and accrued interest, shall, on the death of the worker, be payable to the dependants of the worker, as defined by Part 4 of the **Workers' Compensation Act, 1992.**

**REFERENCES**

Workers' Compensation Health and Safety Board:  
Permanent Impairment Policy Statement  
Loss of Earnings for a Worker Age 63 or Over Policy Statement