

## APPENDIX 5

### FORMULAE FOR RECALCULATING PENSIONS UNDER SECTION 24 – POLICY ITEM #46.02

#### A. Calculation for Workers Under 65

- (a) Deemed current pension (the monthly pension being paid on the date of adjustment, plus any periodical payments that have been commuted or the life equivalent of any periodical payments made for a fixed term). See Supplement No. 8. \_\_\_\_\_ a)
- (b) Monthly wage at time of injury, limited by the maximum then in effect. \_\_\_\_\_ b)
- (c) Average monthly wage for B.C. during the year of injury (see B.C. Monthly Average Wage Table, Supplement No. 1). \_\_\_\_\_ c)
- (d) Ratio of the monthly wage at time of injury to the B.C. average wage for that year, i.e. (b)/(c) \_\_\_\_\_ d)  
(4 decimals)
- (e) Estimated average monthly wage for B.C. in the year of the adjustment (B.C. Average Wage Table, Supplement No. 1) \_\_\_\_\_ e)
- (f) Projection of pre-injury wage, limited by any maximum to the date of adjustment, i.e. including adjustment on the basis of age at date of injury (Supplement No. 9), i.e. (d) x (e) x factor. \_\_\_\_\_ f)
- (g) Projected monthly earnings, limited by maximum and earnings capacity (calculated according to Supplement No. 2). \_\_\_\_\_ g)

- (h) Estimated difference in earnings at time of adjustment.
- (i) single injury (f) – (g)
- OR
- (ii) multiple claims (calculated according to Supplement No. 3). \_\_\_\_\_ h)  
(if negative, enter zero)
- (i) Adequate compensation = .75 x (h). \_\_\_\_\_ i)
- (j) Potential adjustment to monthly pension, i.e., (i) – (a). \_\_\_\_\_ j)  
(if negative, enter zero)
- (k) Statutory maximum (maximum earnings applicable under section 33 on the date of adjustment). \_\_\_\_\_ k)
- (l) Maximum which would be currently payable to a worker in the pre-injury occupation of the applicant worker with a permanent disability assessed at 100%, i.e., .75 x (k). \_\_\_\_\_ l)
- (m) Percentage of total disability that would be awarded at the date of the adjustment to a worker suffering the same disability as the applicant worker. \_\_\_\_\_ m)
- (n) Maximum adjusted pension applicable on this claim (l) x (m). \_\_\_\_\_ n)
- (o) Adjusted monthly pension = lesser of (n) or (i). \_\_\_\_\_ o)
- (p) Actual adjustment. Pension increased by (o) – (a). \_\_\_\_\_ p)
- The new rate of pension is the amount shown in (o). \_\_\_\_\_ p)
- B. Calculation for Workers 65 and Over
- (a) Year of Birth. \_\_\_\_\_ a)

- (b) Year of Injury. \_\_\_\_\_ b)
- (c) Deemed current pension (the monthly pension being paid on the date of the adjustment, plus any periodical payments that have been commuted or the life equivalent of any periodical payments made for a fixed term. See Supplement No. 8). \_\_\_\_\_ c)
- (d) Projected monthly loss of retirement income from reduced savings (calculated according to Supplement No. 4.). \_\_\_\_\_ d)
- (e) Monthly reduction of post-retirement earning capacity (calculated according to Supplement No. 5). \_\_\_\_\_ e)
- (f) Projected monthly income loss from other retirement sources (calculated according to Supplement No. 6). \_\_\_\_\_ f)
- (g) Projected retirement income loss (d + e + f). \_\_\_\_\_ g)
- (h) Adequate compensation, i.e., .75 x (g) \_\_\_\_\_ h)
- (i) Potential adjustment to monthly pension, i.e., (h) – (c). \_\_\_\_\_ i)  
(if negative, enter zero)
- (j) Statutory maximum (maximum earnings applicable under section 33 on the date of adjustment). \_\_\_\_\_ j)
- (k) Maximum which would be currently payable to a worker in the pre-injury occupation of the applicant worker with a permanent disability assessed at 100%, i.e., .75 x (j). \_\_\_\_\_ k)

- (l) Percentage of total disability that would be awarded at the date of the adjustment to a worker suffering the same disability as the applicant worker. \_\_\_\_\_ l)
- (m) Maximum adjusted pension applicable on the claim, i.e., (l) x (k). \_\_\_\_\_ m)
- (n) Adjusted monthly pension, i.e., lesser of (m) or (h). \_\_\_\_\_ n)
- (o) Actual adjustment, pension increased by (n) – (c). \_\_\_\_\_ o)

## SUPPLEMENT NO. 1

### B.C. MONTHLY AVERAGE WAGE<sup>1</sup> TABLE

Calendar Year	Index
1997	\$2,659.00
1998	2,679.00
1999	2,705.00
2000	2,755.00

If required, earlier figures may be obtained by contacting the Board.

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<sup>1</sup> Computed as 4.33 times the Industrial Aggregate Average Weekly Wage for British Columbia. Editions of this table distributed prior to 1986 were based on the Industrial Composite Average Weekly Wage for British Columbia. The basis for the Industrial Aggregate was changed in 1994. The average wage index for each of the years in this table has been put on the current Industrial Aggregate basis, so that ratios can be taken between indexes for any two years in the table.

## SUPPLEMENT NO. 2

### PROJECTED MONTHLY EARNING CAPACITY, NOT LIMITED BY MAXIMUM

- (1) Actual monthly earnings from work and income from self-employment. \_\_\_\_\_ 1)
- (2) Adjustment to present monthly earnings to allow for transitory circumstances and arrive at a long-term projection. \_\_\_\_\_ 2)
- (3) Projected monthly earnings = 1) adjusted by 2). \_\_\_\_\_ 3)
- (4) Any earnings reduction resulting from personal choice or circumstance unrelated to the compensable disability, e.g. a non-compensable disability, personal preference for an occupation less well paid than one that the worker could reasonably undertake or voluntary retirement. \_\_\_\_\_ 4)
- (5) Projected monthly earnings adjusted for non-compensable loss, (3) + (4). \_\_\_\_\_ 5)

The figure in Item (5) is transferred to Item (g) on the worksheet for workers under 65.

## SUPPLEMENT NO. 3

### ESTIMATE OF DIFFERENCE IN EARNINGS AT TIME OF ADJUSTMENT TO EACH CLAIM IN A MULTIPLE CLAIM SITUATION

- (1) Actual present monthly earnings from employment and self-employment.  
under 65, calculation sheet Item (g)  
OR  
aged 65 or over, Supplement 4 Item (8). \_\_\_\_\_ 1)
- (2) Highest projected monthly earnings of all the claims being considered.  
under 65, calculation sheet Item (f)  
OR  
aged 65 or over, Supplement 4 Item (7). \_\_\_\_\_ 2)
- (3) Earnings impairment at time of adjustment based on claim with highest projected wage, i.e. (2) – (1). \_\_\_\_\_ 3)  
(if negative, enter zero)
- (4) Sum of disability percentages from all claims in the multiple series. \_\_\_\_\_ 4)
- (5) Percentage of disability for this claim, Claim No. \_\_\_ of \_\_\_ Multiple Claims. \_\_\_\_\_ 5)
- (6) Estimate of monthly earnings loss as if this claim had been the only disability sustained, i.e. (5)/(4) x (3) \_\_\_\_\_ 6)

ITEM (6) IS TRANSFERRED TO (h) IN THE CALCULATION SHEET FOR WORKERS UNDER 65, OR TO SUPPLEMENT 4 ITEM 9, WHEN CONSIDERING WORKER AGED 65 OR OVER.

Note, if Item 3 on this supplement is zero for the first claim considered, it will be zero for all claims in the series.

## SUPPLEMENT NO. 4

### PROJECTED MONTHLY LOSS OF RETIREMENT INCOME FROM REDUCED SAVINGS

- (1) Year in which age 65 was attained. \_\_\_\_\_ 1)
- (2) Disabled work years due to compensable disability, i.e., (1) – year of injury. \_\_\_\_\_ 2)
- (3) Monthly wage at time of injury, limited by the maximum then in effect. \_\_\_\_\_ 3)
- (4) Average monthly wage for B.C. during the year of injury (see B.C. Monthly Average Wage Table, Supplement No. 1). \_\_\_\_\_ 4)
- (5) Ratio of the monthly wage at time of injury to the B.C. average wage for that year, i.e., (3)/(4). \_\_\_\_\_ 5)  
(4 decimals)
- (6) Estimated average monthly wage for B.C. in the year worker attained age 65 (see B.C. Monthly Average Wage Table, Supplement No. 1). \_\_\_\_\_ 6)
- (7) Projection of pre-injury wage, limited by any maximum, to the year in which age 65 was attained, including adjustment on the basis of age at date of injury, (Supplement No. 9), i.e., (5) x (6) x factor. \_\_\_\_\_ 7)
- (8) Adjusted monthly earnings in year age 65 was attained, limited by a maximum (calculated according to Supplement No. 7). \_\_\_\_\_ 8)
- (9) Estimated difference in earnings in year age 65 was attained:
- (i) single injury, i.e. (7) – (8)
- OR
- (ii) multiple claims (calculated according to Supplement No. 3). \_\_\_\_\_ 9)  
(if negative, enter zero)

- (10) Ratio of the estimated difference in earnings to the B.C. average wage in the year age 65 was attained, i.e.  $(9)/(6)$ . \_\_\_\_\_ 10)  
(4 decimals)
- (11) Estimated average monthly wage for B.C. in the year of adjustment (see Supplement No. 1). \_\_\_\_\_ 11)
- (12) Projection of estimated monthly wage loss in the year age 65 was attained to the date of adjustment, i.e.,  $(10) \times (11)$ . \_\_\_\_\_ 12)
- (13) Total work months disabled due to compensable disability, i.e., 12 months/year  $\times (2)$ . \_\_\_\_\_ 13)
- (14) Lifetime lost earnings to age 65 expressed in terms of most recent dollars, i.e.,  $(12) \times (13)$ . \_\_\_\_\_ 14)
- (15) Deemed total disability pension payments to age 65 = deemed current pension (including term pensions expiring at age 65)  $\times (13)$ . \_\_\_\_\_ 15)
- (16) Net lifetime lost income, i.e.,  $(14) - (15)$ . \_\_\_\_\_ 16)
- (17) Projected monthly loss of retirement income from reduced savings, i.e.,  $0.0005 \times (16)$ . \_\_\_\_\_ 17)

THE FIGURE SHOWN AS ITEM (17) IS TRANSFERRED TO ITEM (d) ON THE CALCULATION SHEET FOR WORKERS 65 AND OVER.

## SUPPLEMENT NO. 5

### MONTHLY REDUCTION OF POST-RETIREMENT EARNING CAPACITY

- (1) Percentage of total disability that would be awarded at the date of the adjustment for the disability sustained by the applicant. % \_\_\_\_\_ 1)
- (2) Monthly allowance for loss of earning capacity from the disability.  
\$0.80 for each 1% of total disability, i.e.,  
\$0.80/per 1% x (1). \$ \_\_\_\_\_ 2)

THIS FIGURE SHOWN AS ITEM (2) IS TRANSFERRED TO ITEM (e) ON THE CALCULATION SHEET FOR WORKERS AGED 65 AND OVER.

The cash figure in Item (2) will be adjusted with the Consumer Price Index, the first such adjustment being made on July 1, 1976.

Effective June 30, 2002, the percentage change in the Consumer Price Index determined under section 25.2 of the *Act*, as described in policy item #51.20, will be used.

#### Rates

January 1, 2008	–	\$3.04 for each 1%
January 1, 2009	–	\$3.12 for each 1%

If required, earlier figures may be obtained by contacting the Board.

## SUPPLEMENT NO. 6

### PROJECTED MONTHLY LOSS OF OTHER RETIREMENT INCOME

ACTUAL INCOME PER MONTH (apart from earnings)

- (1) Canada Pension benefits. \_\_\_\_\_ 1)
- (2) Pension benefits from employment  
(employer-operated or occupational  
pension plan). \_\_\_\_\_ 2)
- (3) Other government benefits (but not  
Mincome or similar guarantees). \_\_\_\_\_ 3)
- (4) Total actual retirement income; total of (1)  
through (3). \_\_\_\_\_ 4)

PROJECTED INCOME BENEFIT PER MONTH (estimated retirement income the worker would be receiving if the compensable injury had not occurred. The projected benefits are based on the assumption that if the disability had not occurred, the worker would have remained in the pre-injury occupation until the age of 65 years).

- (5) Canada Pension Plan benefits. \_\_\_\_\_ 5)
- (6) Pension benefits from employment  
(employer-operated or occupational  
pension plan). \_\_\_\_\_ 6)
- (7) Other government benefits (but not  
Mincome or similar guarantees). \_\_\_\_\_ 7)
- (8) Total projected retirement income, i.e., total  
of Items (5) through (7). \_\_\_\_\_ 8)
- (9) Retirement income loss (8) – (4). \_\_\_\_\_ 9)

THE FIGURE FOR ITEM (9) IS TRANSFERRED TO ITEM (f) ON THE  
WORKSHEET.

## SUPPLEMENT NO. 7

### ADJUSTED MONTHLY INCOME FROM EMPLOYMENT, SELF-EMPLOYMENT AND REPLACEMENT EARNINGS SOURCES IMMEDIATELY PRIOR TO AGE 65

- (1) Monthly earnings immediately prior to age 65. \_\_\_\_\_ 1)
- (2) Adjustment for any loss of earnings resulting from personal circumstances unrelated to the disability, i.e., a non-compensable disability that arose subsequent to the disability, or personal preference for early retirement. \_\_\_\_\_ 2)
- (3) Estimated equivalent monthly income worker was receiving from a source which in nature replaced earnings income because of a non-compensable disability. \_\_\_\_\_ 3)
- (4) Adjusted monthly income, i.e., (1) + (2) + (3). \_\_\_\_\_ 4)

THE FIGURE SHOWN AS ITEM (4) IS TRANSFERRED TO (8) ON SUPPLEMENT NO. 4.

## SUPPLEMENT NO. 8

### CALCULATION OF DEEMED CURRENT PENSION

- (1) Monthly payment for either permanent partial or permanent total disability which is currently being paid to the worker. \_\_\_\_\_ 1)
- (2) Value of commutation(s) in terms of \$ per month as at date of commutation. \_\_\_\_\_ 2)
- (3) Deemed current pension (1) + (2). \_\_\_\_\_ 3)

ITEM (3) IS TRANSFERRED TO ITEM (c) ON THE CALCULATION SHEET FOR WORKERS 65 AND OVER OR TO ITEM (a) ON THE CALCULATION SHEET FOR WORKERS UNDER 65.

## SUPPLEMENT NO. 9

### ADJUSTMENT OF PRE-INJURY WAGE ON THE BASIS OF AGE AT DATE OF INJURY

Age at Date of Injury	Adjustment Factor
14	2.0
15	1.7
16	1.5
17	1.3
18	1.2
19	1.2
20	1.1
21	1.1
22	1.1
23 or over	1.0