

2003/07/15-03

THE WORKERS' COMPENSATION BOARD OF BRITISH COLUMBIA

RESOLUTION OF THE BOARD OF DIRECTORS

Re: Pensioner Retirement Benefit Reserve (PRBR)

WHEREAS:

Pursuant to Section 82 of the *Workers Compensation Act*, RSBC 1996, Chapter 492 and amendments thereto (the "*Act*"), the Board of Directors ("BOD") must set and revise as necessary the policies of the Board of Directors, including policies respecting compensation, assessment, rehabilitation and occupational health and safety;

AND WHEREAS:

Sections 23.2 to 23.4 of the *Act* require the Workers' Compensation Board ("WCB") to:

- (a) establish a reserve (the "PRBR") in the accident fund into which the amounts to be set aside by the WCB must be deposited,
- (b) invest the funds in the reserve, and
- (c) pay the worker upon retirement the accumulated investment income earned on those amounts as well as the amounts set aside pursuant to section 23.2;

AND WHEREAS:

The Finance Division of the WCB has made recommendations concerning the investing and reporting of the PRBR as part of the accident fund and how income will be allocated to the PRBR;

THE BOARD OF DIRECTORS RESOLVES THAT:

1. All amounts deposited by the WCB into the PRBR, pursuant to section 23.4(1) of the *Act*, will be invested as part of the accident fund.

2. The worker has no right of access or ownership to any of the amounts deposited, or the accumulated investment income earned, until retirement benefits are payable pursuant to section 23.3 of the *Act*.
3. The WCB will separately disclose the liability for the PRBR under the Benefit Liabilities section of the WCB's annual financial statements.
4. The WCB will determine investment income earned in each year by the PRBR on the basis of :
 - (a) the normal accounting method used by the WCB for computing its rate of return on investments in the accident fund, minus 7% of that rate of return, or
 - (b) the average monthly 90 Day Federal T-Bill rate,whichever is the greater.
5. This resolution is a policy decision of the Board of Directors and is effective January 1, 2003.
6. This policy decision will be reviewed by the Board of Directors on or before September 2004.

DATED at Richmond, British Columbia, August 12, 2003.

By the Workers' Compensation Board

**DOUGLAS J. ENNS, CHAIR
BOARD OF DIRECTORS**