

Old Age Security Act – changes – survey to CFOs - 2013

1. What implications will the changes in the Old Age Security Act (OAS) have at your WCB?
2. What types of changes are you contemplating (policy, systems, etc.) and when are you planning to make those changes?"

OAS Survey	
AB	<p><i>1. What implications will the changes in the OAS Act have at your WCB?</i></p> <p>If the changes take effect, it is expected that they will impact workers' retirement decisions, with the hypothesis being that workers will delay retirement to coincide with the new age limit (67 instead of 65).</p> <p><i>2. What types of changes are you contemplating (policy, systems, etc.) and when are you planning to make those changes?"</i></p> <p>The Government of Canada's proposed changes to the OAS Act to gradually increase the age of eligibility for the OAS pension and the Guaranteed Income Supplement (GIS) from age 65 to 67 will not start until 2023 and will not be complete until 2029. Given this time frame, it is premature to consider any changes other than to be able to address stakeholder questions by letting them know that we are monitoring the issue.</p> <p>A number of our policies reference normal retirement age as being age 65, although there is always provision to consider a later retirement age. We look at the issue of retirement on a regular basis as, separate from any changes to the OAS Act, we want to be aware of changes in the average age of retirement in Alberta. We've included age 65 issues on our policy plan for this year as people are working past age 65 and our current policy wording is not necessarily as helpful as it might be for the adjudication of these claims.</p>
BC	<p>The changes to the OAS has no impact directly on WorkSafeBC and no changes at this time are contemplated.</p>

	OAS Survey
MB	<p><i>1. What implications will the changes in the OAS Act have at your WCB?</i></p> <p>With one exception, the implications of the gradual increase in the age eligibility for OAS on the Manitoba compensation system are yet to be determined.</p> <p>Under subsection 29(10) of The Manitoba Workers Compensation Act, survivors benefits to certain individuals cease when they become eligible to an OAS pension. As I understand it, benefits awarded under this subsection are rare.</p> <p><i>2. What types of changes are you contemplating (policy, systems, etc.) and when are you planning to make those changes?"</i></p> <p>Given that the proposed changes to the OAS program start in 2023, the Manitoba WCB is monitoring developments in this area.</p> <p>At the moment, the WCB will need to consider whether the WCB benefit structure should be aligned with changes to the OAS program (i.e. pay wage loss benefits longer since age 67 is considered the "new" normal age of retirement).</p> <p>Two reviews expected to be completed around 2015 will likely influence the direction the Manitoba WCB takes regarding changes to age eligibility to an OAS pension. The federal government plans to discuss the impact of the changes to the OAS program on CPP disability benefits with provinces and territories during the next mandated triennial review. The WCB takes into consideration CPP disability benefits when it pays wage loss benefits. The OAS issue will likely be considered by the next appointed legislative committee to review The Manitoba Workers Compensation Act.</p>
NB	<p>We have not done any analysis relative to the OAS changes.</p>
NL	<p>Our legislation provides for benefits to age 65. In the absence of a change in our legislation the changes to the OAS Act would have no impact on our jurisdiction. We have, however, estimated the financial impact if we were required to extend benefits beyond age 65. If wage loss benefits were extended for life (for new claims) our liability for long-term disability would increase by 89% and we would have to increase our assessment rate by \$0.41 to cover the cost of new injuries. If the legislation were changed to also cover former injured workers (who were receiving wage loss benefits and the award ceased at age 65) the liability would increase by another 25%.</p>

OAS Survey

NS

Under the Nova Scotia Workers' Compensation Act, earnings loss benefits are terminated at age 65. This is supported in various sections of the legislation. The one exception is if a worker is injured after the age of 63, earnings loss benefits can be paid for a period of not more than twenty four months from the commencement of loss of earnings.

A while back we had two appeals that were constitutionally challenging the termination of benefits at age 65. The Nova Scotia appeals were on hold pending a Court of Appeal case out of Quebec that was challenging the same issue. In October of 2012 a decision was rendered out of Quebec that found the termination of benefits DID NOT violate the s.15 of the Canadian Charter of Rights. It is my understanding the decision was not appealed to the Supreme Court of Canada, and once that was determined the two Nova Scotia appeals were withdrawn.

The issue of potential amendments to the Federal OAS Act would no doubt require our Board to review this and determine what / if any action is required. If the Federal Government enacts an increase of OAS benefits to age 67 we would have a situation in Nova Scotia where a worker's WCB earnings loss benefits are being terminated yet they are not eligible for OAS.

At this point our Board has not been briefed on what impacts this may have, nor have we conducted any analysis of potential recommendations or financial implications of any changes. That being said, even if a change were contemplated by our Board to address the proposed age limit change for OAS, it would first require the Nova Scotia Provincial Government to amend the Act. Policy and system changes could not be made that would be in violation of the Act, and currently the Act is very clear on termination of earning loss benefits at age 65.

Our Policy team, in our Corporate Development department has added this issue to our revolving policy agenda and will be monitoring this situation carefully. Will be briefing the Executive team and our Board of Directors when appropriate, but we are not likely to look at this issue until after the Federal Government adjusts their legislation so we can fully understand what the implications might be for the NS WC Act.

OAS Survey	
NT/NU	<p>1. <i>What implications will the changes in the OAS Act have at your WCB?</i></p> <p>No implications as benefits not tied to or integrated with OAS.</p> <p>2. <i>What types of changes are you contemplating (policy, systems, etc.) and when are you planning to make those changes?"</i></p> <p>Given no impact, no changes contemplated.</p>
ON	<p>The WSIB has reviewed the potential impact to the benefit liability resulting from the change in OAS. We continue to monitor the situation; however, there will be limited impact without legislative change to the WSIA. The OAS and the current WSIA age limits are not linked.</p>
PE	<p>1. <i>What implications will the changes in the OAS Act have at your WCB?</i></p> <p>Using the December 31, 2012 valuation, it is estimated there would be an increase in the liabilities by approximately 2.7% and an increase in incurred claims by approximately 2.3%.</p> <p>2. <i>What types of changes are you contemplating (policy, systems, etc.) and when are you planning to make those changes?"</i></p> <p>If we were to extend the payment of wage loss benefits to age 67 to be in line with recent change to Old Age Security Act we would need to amend the PEI Workers Compensation Act and related policies. To date, only preliminary investigation and discussions have occurred.</p>

OAS Survey	
QC	<p><i>1. What implications will the changes in the OAS Act have at your WCB?</i></p> <p>As long as the Quebec's WC Act is not changed, the changes in OAS act have no impact on our benefits. Personally, I have no clue as to whether our government has the intention to change the WC legislation. I guess that the government must first decide if it will proceed with a change to the CPP/QPP retirement age. If so, probably our law would be harmonized.</p> <p><i>2. What types of changes are you contemplating (policy, systems, etc.) and when are you planning to make those changes?"</i></p> <p>For now, no change needed.</p>
SK	<p>The changes to the OAS Act will not impact Wcb Sask. The SK WCB does not consider Old Age Security pension as earnings in the calculation of earnings loss under our Act. We also don't take into account any employer sponsored pension plans or CPP retirement benefits. Compensation is only offset by 50% of CDP benefits after 12 months.</p> <p>No changes to policy, systems etc are planned.</p>
YT	<p>Our act is tied into OAS age so we will be paying wage loss benefits to age 67 once the new age limit comes into effect.</p> <p>In 2012 we adjusted our benefit Liab for the increase costs \$3.6M on a total liab of \$124M.</p> <p>We don't anticipate too many policy changes.</p>