

***Yukon Workers' Compensation Act***  
**Subsection 105.(1) Research Series:**

**Adequacy of System for Spouses**

Commissioned by the Yukon Workers' Compensation  
Health and Safety Board of Directors in preparation  
for the 2003 *Workers' Compensation Act* Review

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**Yukon *Workers' Compensation Act*  
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## 1.0 Introduction

The Yukon Workers' Compensation Health and Safety Board is responsible for the administration of the *Workers' Compensation Act*. Subsection 105.(1) of the *Workers' Compensation Act* requires that a review of selected concepts embodied in the *Act* be initiated no later than January 1, 2003. The concepts identified for consideration include:

- (a) expansion of disability, within the meaning of the Act
- (b) the effectiveness and appropriateness of the board administering both the *Workers' Compensation Act* and the *Occupational Health and Safety Act*
- (c) the use of deeming
- (d) the effect of retirement on entitlement
- (e) the role and use of indexing of benefits
- (f) the method and limitations on calculating the maximum wage rate
- (g) the role and effectiveness of the workers' advocate
- (h) the adequacy of the system for spouses

This paper presents the results of the review undertaken by Vector Research in respect of concept (h), the adequacy of the system for spouses.

The main methodology employed in the study was a document review. Since many workers' compensation research issues are decades old, research efforts included the review of selected reports prepared by task forces and review committees in other jurisdictions over the last 20 years. The review of those reports was undertaken during a November 2002 visit to the British Columbia Workers' Compensation Library.

The analysis contained in this paper is fundamentally from a public finance perspective; the absence of discussion about the psychological and sociological impacts of worker injury and disability is not intended to diminish the importance of those impacts to workers, employers and their families.

The remainder of this research paper consists of four sections. The next section (2.0) provides an overview of the concept of compensation for spouses. Section 3.0 describes the Yukon approach to compensation for spouses and section 4.0 considers compensation for spouses in an interjurisdictional context. The paper concludes in section 5.0 with the identification of some key issues thought to warrant further discussion by the Board.

### 2.0 Overview of Compensation for Spouses

The fundamental purpose of worker's compensation is to provide a system of financial and rehabilitative support to workers who suffer disabilities in the workplace. When a work-related injury is fatal, all jurisdictions in Canada provide compensation to the surviving spouses and dependents. Each jurisdiction provides the families of fatally injured workers with some combination or "package" of benefits.

Benefit packages are known under a variety of names including "benefits for survivors", "fatality benefits" or "dependency benefits". A typical package of benefits includes both one-time and on-going payments. One-time payments are generally made for funeral expenses, costs for transportation of the body and other expenses directly related to the death of the worker as well as a lump sum payment for non-economic losses.

Ongoing payments are also made to the surviving spouses and dependent children of the deceased worker which are intended to replace some portion of the lost earnings stream earned by the worker. In jurisdictions located south of 60<sup>o</sup>, ongoing payments are most commonly calculated as a percentage of what a worker would have been entitled to receive if the injury had resulted in permanent total disability rather than death. In Canada's north, ongoing payments made to surviving spouses and dependent children are calculated as a fixed percentage of the maximum wage rate in the current year.

In the year 2000, workers' compensation boards and commissions across Canada accepted a total of 882 fatal injuries as allowable claims. Those 882 fatal injuries represented 0.22 percent of all accepted time loss injuries in Canada in that year. The Yukon Workers' Compensation Health and Safety Board accepted two fatality claims in the year 2000.<sup>1</sup> Thus, the financial scale of the issues associated with dependency benefits are relatively small from the perspective of a given compensation fund. From the perspective of those affected by the death of a worker, however, those same issues can be of tremendous importance.

Modifications to the application of the historic rationale for ongoing survivor benefits have gradually been implemented in all jurisdictions over the last twenty years. Some modifications have been made in response to changing labour market characteristics. Other changes have been made, not at the behest of workers compensation boards but rather in order to comply with changes to policies and laws outside the realm of workers' compensation. Significant among these are the changes which resulted from the coming into law of the Canadian Charter of Rights and Freedoms on April 17, 1985.

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<sup>1</sup>*Key Statistical Measures - 2000*, Association of Workers' Compensation Boards of Canada, 2002.

As a general rule, prior to the implementation of the Charter, ongoing survivor benefits were terminated upon remarriage (or cohabitation for a specified period of time) by the surviving spouse. The policy rationale behind termination was that the surviving spouse was presumed to be provided for by the new spouse and that to continue benefits payments would result in overcompensation.<sup>2</sup> After Charter implementation, it soon became apparent through various court challenges that termination upon remarriage or cohabitation was in fact a form of discrimination based on marital status. All jurisdictions have responded to the court rulings by enacting legislation which removes the requirement for termination of ongoing survivor benefits in the event of remarriage or cohabitation.<sup>3</sup>

### 3.0 Yukon Approach to Compensation for Spouses

The YWCHSB provides both one-time and ongoing benefits as part of the package of benefits it provides to the families of fatally injured workers. In terms of one time benefits, the YWCHSB will cover actual funeral costs (to a maximum of \$4,000) and additional expenses incurred as a result of a workers' death (up to a maximum of \$2,000). Current legislation also provides for payment of reasonable and actual costs of transporting the body of the deceased to a location within Canada.

In terms of ongoing benefits, the surviving spouse of a worker who dies as a result of a work-related disability is entitled to a monthly payment equal to 3.125 percent of the maximum wage rate for the year of payment.<sup>4</sup> The monthly payment does not cease upon what would have been the 65<sup>th</sup> birthday of the deceased worker nor does it end upon the surviving spouse reaching the age of 65; it is paid for the life of the surviving spouse. The monthly amount for 2003, based on a maximum wage rate of \$66,200, is \$2,068.75. Monthly payment amounts for surviving spouses and dependent children between 1992 and 2003 are presented in Chart 1. The number of fatality claims accepted by the YWCHSB during the period 1996 to 2000 are also shown in Chart 1.

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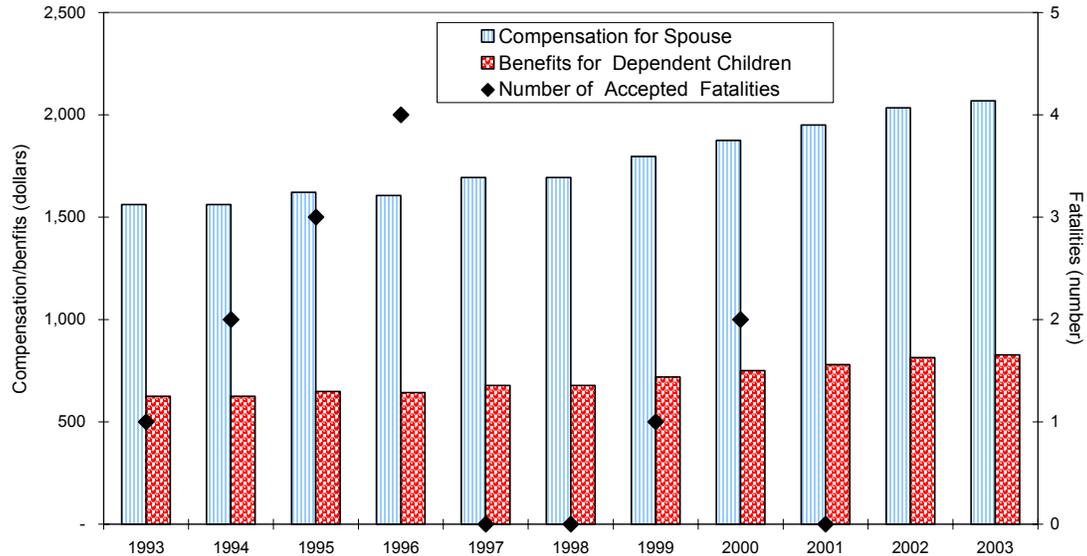
<sup>2</sup> Such termination policies also presumed that the new spouse would be able to provide for the surviving spouse in a similar manner and that the subsequent marriage would not end.

<sup>3</sup> The Yukon repealed the section requiring termination of spousal benefits on April 16, 1987 for changes in marital status taking place after that date. Benefits for spouses alive on April 11, 2002 who had their benefits terminated between April 17, 1985 and April 16, 1987 were retroactively reinstated with the passage of the *Spousal Compensation Act* in April 2002.

<sup>4</sup> Subsection 36.(1) *Workers' Compensation Act*, S.Y. 1992, c. 16 (February 2000 office consolidation).

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**Chart 1: Monthly Benefits for Spouses and Dependent Children and Number of Accepted Fatalities**



Sources: Yukon Workers' Compensationhealth and Safety Board/  
Association of Workers' Compensation Boards of Canada  
Note: Fatalities data available only for the period 1993 to 2001.

The YWCHSB also has discretion under current legislation to pay an additional monthly amount to the surviving spouse when, in the Board's opinion, the surviving spouse is in need. The additional amount, when added to the amount calculated on the basis of the maximum wage rate, may not result in a total amount being paid which would exceed the wage loss benefits which would have been paid to the worker in the event of total disability rather than death.

The Yukon package of survivor benefits also includes monthly benefits for the dependent children of workers who suffer fatal work-related disabilities. Similar to the monthly payments made to spouses, benefit payments for dependent children are calculated as a percentage of the maximum wage rate in a given year. That percentage is currently equal to 1.25 percent.<sup>5</sup> Thus, dependent children each receive 40 percent of the amount paid to surviving spouses.

In dollar terms, the monthly amount for dependent children in 2003 is \$827.50. Payments are made until a child reaches the age of 19 or until the age of 21 if the child is in full-time attendance at an education institution recognized by the Board and is making progress satisfactory to the Board.

Section 38 of the Yukon legislation makes provision for dependent children who become orphans as a result of the work-related death of a parent. The provisions of section 38 also apply to the situation where a worker's surviving spouse dies while

<sup>5</sup> Subsection 37.(1) *Workers' Compensation Act*, S.Y. 1992, c. 16 (February 2000 office consolidation).

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one or more of their children are still considered dependent. In either case, entitlement to the benefits which would have been paid to a surviving spouse can be reassigned to another individual who assumes responsibility for the dependent children. Such reassignment can remain in effect for as long as at least one of the worker's children is entitled to a monthly amount for dependent children.

The Yukon's workers' compensation legislation also provides, in section 39, that the Board may pay compensation to any other dependent of a worker whose death was work-related. The amount of compensation is to be based on a measure of the dependent's pecuniary loss resulting from the death of the worker and is subject to a maximum established by order of the Board.

### **4.0 Interjurisdictional Comparisons: Benefits for Spouses**

Table 1 presents an interjurisdictional comparison of the one-time and on-going benefits paid to the surviving spouses and children of workers who suffer fatal work-related injuries. The various approaches used by different jurisdictions are exceptionally complex. Because of this, not all features of the package of benefits in each jurisdiction are presented in Table 1.

What is presented in Table 1, however, is what is thought to be the baseline features of each package minus the details which are more administrative in nature. Accordingly, readers who require comprehensive detail about survivor benefits in a particular jurisdiction are advised to consult the publications and legislation of the relevant workers' compensation authority. It is hoped that the presentation of only the baseline features will facilitate the comparison of approaches used in different jurisdictions.

#### **One-time Benefits**

Workers' compensation authorities in all jurisdictions pay for funeral expenses. Ontario is home to both the minimum and maximum amounts paid for funeral expenses with a current range of \$2,289 to \$11,197. All jurisdictions also pay for the transportation of the body. Some jurisdictions (Manitoba, New Brunswick, Newfoundland and Labrador, Ontario, Prince Edward Island and Quebec) pay for "necessary costs" or "actual costs". The remaining jurisdictions place limits on payable costs through either a maximum amount payable or by paying only costs for transport within the borders of a province/territory or Canada.

**Table 1: Interjurisdictional Comparison of Dependency Benefit Packages - 2002**

	One-time Benefits			Ongoing Benefits
	Funeral Expenses	Transport of Body Costs	Lump Sum Payment	Description of Benefits
<b>AB</b>	up to \$8,150	\$550/\$1000/ actual according to from/to location	\$1,300	<ul style="list-style-type: none"> <li>spouse with dependent children under age 18 entitled to 100% of worker's wage loss benefits had injury not resulted in death but instead permanent total disability; benefits payable until youngest dependent child reaches 18 then subject to five-year straight-line reduction (20% per year)</li> <li>spouse with no dependent children receives pension subject to five-year straight-line reduction (20% per year)</li> </ul>
<b>BC</b>	\$6,871	\$1,086	\$2,029; spouses under 40 also receive lump sum of \$40,583 but no ongoing benefits	<ul style="list-style-type: none"> <li>spouse (no children) under age 40 receives \$40,583 lump sum but not entitled to ongoing benefits</li> <li>spouse (no children), ages 40-49, receives amount based on percentage of what would have been payable to the worker for a permanent total disability less CPP</li> <li>spouse (no children), ages 50 and over, receives 60% of what would have been payable to the worker for a permanent total disability less CPP; paid for life</li> <li>spouse with 1 child - 85% of what would have been payable to the worker for a permanent total disability less CPP; paid for life</li> <li>spouse with 2 children - 100% of what would have been payable to the worker for a permanent total disability less CPP; paid for life</li> <li>spouse with more than 2 children is same as with 2 children, plus \$264 (less CPP) for each additional child</li> <li>other dependants entitled to maximum of \$467 depending on pecuniary loss</li> </ul>
<b>MB</b>	\$6,000	necessary costs	\$32,990 to \$54,590 based on age of spouse	<ul style="list-style-type: none"> <li>90% of deceased worker's net average earnings less amount payable to other dependants for at least 5 years or until the earlier of the youngest child reaching 18 or the spouse turns 71</li> <li>children receive a benefit of \$300 per month each under 18 (or until first certificate or degree obtained)</li> <li>orphans receive benefit of \$600 per month each under 18 (or until first certificate or degree obtained)</li> <li>total pensions paid to all dependants cannot exceed 90% of the worker's net loss of earning capacity</li> </ul>
<b>NB</b>	\$6,349 less CPP <sup>a</sup> offset	necessary costs	60% of deceased's net annual income paid after one year and <u>only</u> if spouse opts for Plan B described at right	<ul style="list-style-type: none"> <li>for first year following death spouse entitled to 80% of deceased net earnings less CPP; max. monthly benefit is \$2,399.97. Spouse then elects (a) or (b):                             <ul style="list-style-type: none"> <li><u>Plan A</u>: benefits of 85% of deceased worker's average net earnings (max. \$2,504) less CPP to age 65; 5% set-aside for spousal annuity at age 65; family means test is applied if spouse remarries</li> <li><u>Plan B</u>: lump sum described at left plus benefits of 60% of deceased worker's net average earnings (max. \$1,767) less CPP to age 65, 8% set-aside for spousal annuity at age 65; children under age 18 receive monthly benefits ranging from \$265 to \$397 per month (based on age); duration of benefits extended for children going to school full time up to age 21</li> </ul> </li> </ul>
<b>Nfld/ Lab</b>	up to \$5,000	necessary costs	greater of worker's average weekly earnings times 26 <u>or</u> \$15,000	<ul style="list-style-type: none"> <li>dependent spouse entitled to periodic compensation equal to 80% of the worker's average weekly net earnings at the time of injury less CPP; benefit payable until date the worker would have reached 65</li> <li>if worker is survived only by dependent children lump sum amount is paid shared equally if more than one child, paid as above for dependent spouse</li> <li>guardian of dependent children receives compensation equal to 80% of the worker's average weekly net earnings less CPP</li> </ul>

**Table 1: Interjurisdictional Comparison of Dependency Benefit Packages - 2002 (continued)**

	One-time Benefits			Ongoing Benefits
	Funeral Expenses	Transport of Body Costs	Lump Sum Payment	Benefit Description
<b>NWT /Nu</b>	up to \$2,534	necessary costs within NWT/Nu	\$2,534	<ul style="list-style-type: none"> <li>spouse entitled to \$1,742 per month (based on 2.75% of maximum wage rate)</li> <li>children entitled to \$396 per month to age 16 (or until receipt of first school degree or vocational certificate)</li> </ul>
<b>NS</b>	\$5,000	\$500/actual for within/outside NS	min. \$15,000 <sup>b</sup>	<ul style="list-style-type: none"> <li>spouse entitled to 85% of net income before injury to maximum of \$512 per week; payable to age 65 when replaced by annuity equal to the cumulative total of a 5% monthly reserve</li> <li>child/orphan entitled to \$196 per month to age 18 (or 25 if going to school)</li> </ul>
<b>Ont</b>	\$2,289 (min) to \$11,197 (max)	necessary costs	\$30, 516 to \$91,548 based on age of spouse	<ul style="list-style-type: none"> <li>for spouse (no children) benefit is 20% to 60% of net average earnings less CPP based on spouse's age (from 20% of net average earnings at age 20 to 60% of net average earnings at age 60) age; paid for life</li> <li>for spouse with children benefit is 85% of net average earnings until oldest child reaches age 19 then is adjusted for according to spouses age at that time; paid for life</li> <li>children older than 19 and at school receive 10% of net average earnings until first degree/diploma or 25</li> <li>1 orphan - 30% of net average earnings; 2 or more orphans - 40% to 85% of net average earnings</li> </ul>
<b>PEI</b>	\$4,000	necessary costs	\$10,000	<ul style="list-style-type: none"> <li>spouse entitled to allowance based on 70% of workers' wage loss benefits had injury not resulted in death but instead 100% permanent total disability less CPP</li> <li>dependent children each entitled to 10% of deceased worker's wage loss benefits; payable up to age 18 (or 22 if at school); total payment for all children not to exceed 30% of deceased worker's wage loss benefits</li> <li>dependent orphans each entitled to 20% of deceased worker's wage loss benefits; payable up to age 18; total payment for all orphaned children not exceed 60% of deceased worker's wage loss benefits</li> </ul>
<b>Que</b>	\$2,436	actual costs	\$1,624 plus \$81,124 to \$157,500 based on age of spouse	<ul style="list-style-type: none"> <li>spouse entitled to a temporary indemnity based on 55% of deceased worker's wage loss benefits had the injury not resulted in death but instead 100% permanent total disability; paid for up to 3 years based on age of spouse (34 or under - 1 year; 35 to 44 - 2 years; 45-55 - 3 years; 55 or over - 2 years)</li> <li>each child receives \$407 per month until 18 years of age</li> <li>each child older than 18 and younger than 25 attending school full time at time of death entitled to lump sum of \$14,621</li> </ul>
<b>Sask</b>	\$5,870	actual costs in Canada	NIL	<ul style="list-style-type: none"> <li>spouse receives equivalent of 90% of deceased workers' probable net earnings for 5 years or until youngest child is 16 or until youngest child reaches age 18 if at school; benefits subject to CPP offset after 12 months</li> <li>additional 10% of benefits paid to surviving spouse are set aside after 24 months for spousal annuity at 65</li> <li>dependent children older than 18 eligible to receive monthly benefit of \$288 plus reimbursement for tuition, books and other fees for maximum of 3 years between the ages of 18 and 25</li> </ul>
<b>YT</b>	actual to \$4,000 + add'l expenses to \$2,000	reasonable and actual costs within Canada	NIL	<ul style="list-style-type: none"> <li>spouse entitled to \$2,034 per month; based on 3.125% of maximum wage rate in effect in 2002</li> <li>child/orphan entitled to \$814 per month to age 19 (or 21 if in school); based on 1.25% of maximum wage rate in effect in 2002</li> </ul>

Sources:  
 (1) *Comparison of Workers' Compensation Legislation in Canada 2002*, Association of Workers' Compensation Boards of Canada, 2002, pages 112 to 123 (Tables 14 & 15).  
 (2) *Workers' Compensation Benefit Comparisons 2002*, Association of Workers' Compensation Boards of Canada, 2002, pages 91 to 107.  
 (3) *A Review of Workers' Compensation Legislation: Discussion Paper*, Government of British Columbia Ministry of Skills Development and Labour, June 2002, pages 9 to 16.  
 Notes: <sup>a</sup> CPP = Canada Pension Plan survivors benefit; <sup>b</sup> Lump sum is increased if workers dies, for whatever reason, while in receipt of compensation benefits.

### **One-time Benefits** (continued)

In terms of lump sum payments over and above funeral, transportation and related expenses only Saskatchewan and the Yukon do not pay any form of additional lump sum.<sup>6</sup> Some jurisdictions (Alberta, British Columbia, Northwest Territories/Nunavut, Nova Scotia, Prince Edward Island and Quebec) pay a flat amount. Some of those same jurisdictions (British Columbia and Quebec) pay a second lump sum in certain circumstances based on the age of the surviving spouse. Other jurisdictions (Manitoba and Ontario) make only one lump sum payment calculated on the basis of the age of the surviving spouse. New Brunswick and Newfoundland and Labrador base their lump sum payments on a measure of the deceased worker's income. New Brunswick will make a lump sum payment only upon an election to receive a certain package of benefits by a surviving spouse.

### **Ongoing Benefits**

Despite the complexity of the approaches used by various jurisdictions in the calculation of on-going survivors benefits, several design features are common across all approaches. Four key design features are discussed below.

#### **A. Basis of Benefit Calculation**

All 10 provincial jurisdictions base the calculation of survivor benefits on some measure of the amount the worker would have received in wage loss benefits had the injury not been fatal but had instead resulted in permanent total disability. The principal advantage of such an approach is that survivor benefits paid to a given family correspond to the income stream to which the benefits are intending to replace. The main disadvantage would appear to be the potential for complexity that such an approach provides.

In contrast, workers' compensation authorities in the Yukon and the Northwest Territories/Nunavut calculate survivor benefits as a percentage of the maximum wage rate.<sup>7</sup> While transparent and simple to administer, such an approach does not take into account a deceased worker's past income history.

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<sup>6</sup> Notwithstanding that current Yukon legislation does not provide for a lump sum payment upon the work-related death of a worker under the terms of section 35 ("death and funeral expense"), it is possible for a deceased worker's dependents (including their spouse) to receive a lump sum payment upon the death of a worker. This situation arises when a permanent impairment or loss of earnings annuity has previously been set aside for a worker. Under the terms of YWCHSB Policy FN-06 (1994) all monies set aside for an annuity become payable to the worker's dependents upon death of the worker. The key determinant is that the worker was previously eligible for an annuity set-aside; the death of the worker need not necessarily be work-related.

<sup>7</sup> Year's Maximum Insurable Remuneration in the Northwest Territories/Nunavut.

### B. Duration of Benefits

With regard to the length of time for which benefits are paid to a surviving spouse, there is considerable variation among jurisdictions:

- Some jurisdictions (Alberta, Manitoba, Quebec, and Saskatchewan) “front-end load” the payment of spousal benefits by paying the same or almost the same amount of benefits that the worker would have received but only for a limited number of years. For example, Alberta pays 100 percent of the workers’ wage loss benefits had the injury not resulted in death but instead permanent total disability subject to a five-year straight line reduction to zero dollars.

Two of the jurisdictions, Manitoba and Quebec, effectively also front-end load spousal benefits by making substantial lump sum payments based on the age of the spouse. The policy intent of the front-end load approach appears to be to boost the surviving spouses range of options so that they may enter or re-enter the labour market if not already active in it.

All four jurisdictions which “front-end load” spousal benefits also make rehabilitation assistance and vocational counseling available to surviving spouses in order to assist with labour market (re)entry.

- Workers’ compensation boards in the Atlantic provinces pay spousal benefits until what would have been the worker’s 65<sup>th</sup> birthday or until the spouse reaches the age of 65. Newfoundland uses the former approach (worker’s 65<sup>th</sup> birthday) while New Brunswick and Nova Scotia employ the latter (spouses 65<sup>th</sup> birthday). Prince Edward Island pays benefits until the surviving spouse reaches the age of 65 or the worker would have reached 65, whichever is later.

Three jurisdictions (New Brunswick, Nova Scotia and Saskatchewan) pay an annuity to surviving spouses based on additional amounts set aside. In each of the three jurisdictions, the set-aside amounts are calculated as a percentage of spousal benefits paid. The percentages used range from 5 percent to 10 percent.

- The remaining jurisdictions (British Columbia, Northwest Territories/Nunavut, Ontario and the Yukon) pay spousal benefits for life. The Yukon and the Northwest Territories/Nunavut pay benefits based on a fixed percentage of the maximum wage rate. In all three territories, the amount of the spousal benefit is not altered upon what would have been the worker’s 65<sup>th</sup> birthday or the spouses 65<sup>th</sup> birthday. In contrast, the amount of spousal benefits paid in Ontario and British Columbia do vary with the spouses age so that a reduced amount is paid as the surviving spouses gets older.

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- With regard to benefits paid to surviving children of workers who suffer fatal work-related injuries, there is relatively little variation in the length of time benefits are paid. Most jurisdictions pay benefits for surviving children in the form of a given amount per child per month. Two jurisdictions do not pay set amounts for children but instead alter benefit payments to the surviving spouse according to the number (British Columbia) and ages (Alberta and British Columbia) of the children.

Benefits for dependent children are generally paid until the age of 18 is attained. All jurisdictions (except Alberta) extend the duration of benefit payments if a child is attending school. The duration of benefits is extended until the child reaches a certain age (up to age 25 in some jurisdictions) or until a first degree or certificate is earned.

### C. Age of Surviving Spouse

With the exception of three jurisdictions (British Columbia, Ontario and Quebec) ongoing survivor benefit amounts are not varied according to age of the surviving spouse.

British Columbia and Ontario reduce the amount of benefits as a surviving spouse gets older. In contrast, Quebec varies the duration of the period for which benefits are payable (and not the amount of the benefits). It is worth noting that while British Columbia and Ontario pay benefits which are reduced as surviving spouses age, both jurisdictions pay benefits for the life of the spouse. In addition, British Columbia and Ontario also make some form rehabilitation assistance available to surviving spouses.

### D. Integration of Canada Pension Plan Benefits

In addition to entitlement to ongoing workers' compensation benefits, spouses and children of fatally injured workers also generally become entitled to Canada Pension Plan (CPP) survivor benefits upon the death of the worker. A variety of approaches to the integration of CPP survivor benefits with compensation benefits paid to surviving spouses and children are found among jurisdictions:

- Alberta, Manitoba, Nova Scotia, the Yukon and the Northwest Territories/Nunavut make no reduction for CPP benefits.
- British Columbia, New Brunswick, Newfoundland and Labrador, Ontario, Prince Edward Island and Quebec all reduce workers' compensation survivor benefits by the full amount of CPP benefits paid as a result of the workers' death.

- Saskatchewan deducts 50 percent of CPP benefits payable to the surviving spouse after spouse has been in receipt of workers' compensation survivors benefits for 12 months.

### 5.0 Issue Identification: Benefits for Spouses

When a worker suffers a fatal work-related injury, workers' compensation agencies in all Canadian jurisdictions provide the worker's family with some combination or "package" of benefits. The preceding discussion has shown that each jurisdiction's package of benefits reflects a diverse and complex range of policy options. The adequacy of the system of benefits available to spouses in the Yukon can be examined according to two frames of reference. The first frame of reference is relative adequacy and the second is absolute adequacy

An examination of relative adequacy would require comparing the Yukon's package of benefits with packages available in other jurisdictions. While the information presented in Table 1 provides a preliminary assessment of the differences between jurisdictions, a thorough examination will require advanced analysis.

For example, the Yukon pays survivor benefits on the basis of a fixed percentage of the maximum wage rate in a given year. As has been pointed out, such an approach does not consider the actual earnings of the deceased worker. With that said, however, it is not immediately obvious whether the fixed percentage used in the Yukon approach is more or less generous in terms of monthly benefit amounts than approaches used in southern jurisdictions. A determination of adequacy would require the modeling and comparison of the various approaches.

An examination of the absolute adequacy of the Yukon's package of survivor benefits would require comparing the level of support provided by the workers' compensation system against some measure of a "reasonable standard of living" for the Yukon. A key difficulty in making a determination of absolute adequacy will be achieving agreement on what constitutes a reasonable standard of living at a given point in time.

Notwithstanding the above, it should perhaps again be pointed out that the Yukon approach is simple, transparent and presumably efficient in terms of administrative costs. It cannot be disputed that an adequate system of benefits is of exceptional importance to those who survive fatally injured workers. However, in a small jurisdiction such as the Yukon where the number of individuals who survive fatally injured workers each year is very small, the costs of administering a complex set of rules could easily outweigh the additional benefits of an approach more finely-tuned to individual circumstances.

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