

# RULE 53.09(1) DISCOUNT RATES APPLICABLE IN 2018

Calculated 2018 Ontario discount rates are 0.1% for the initial 15 years from the trial commencement date and 2.5% per annum thereafter. The result is that 2018 awards will be slightly less than the present value of comparable awards using 2017 rates.

A comparison between prospective and historical Ontario discount rates is as follows:

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Initial 15 years	1.25%	0.5%	0%	-0.5%	0.3%	0.3%	0.0%	0.0%	0.1%
After initial 15 years	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

## Prescribed discount rates in Canada and comparative impact thereof

Province/Territory* <sup>1</sup>	Prescribed annual discount rates in 2018	Present value of \$10,000 per annum payable to a male from age 20 to age 65* <sup>2</sup>	Present value of a lifetime \$10,000 per annum payable to a male from age 20* <sup>2</sup>
Ontario (2018)	0.1% for 15 years and 2.5% thereafter	\$348,456	100%
British Columbia	Future loss of income - 1.5%* <sup>3</sup>	\$319,052	92%
	Future care - 2.0%* <sup>3</sup>		\$345,292 85%
New Brunswick, Prince Edward Island, Northwest Territories, Nunavut and Nova Scotia* <sup>4</sup>	2.5%	\$265,044	76%
Quebec	Future loss of income - 2.0%	\$290,174	83%
	Future care (goods) - 3.25%		\$261,380 64%
	Future care (services) - 2.0%		\$345,292 85%
Saskatchewan and Manitoba	3.0%	\$243,094	70%
		\$275,315	67%

\*1 Alberta, Newfoundland and Labrador, and Yukon do not have mandated rates.

\*2 Present values for Ontario have been used as a base to demonstrate the impact of discount rates in other Canadian jurisdictions. Calculations use the Canada Life Tables 2011-2013.

\*3 Prescribed rates changed from 2.5% for income loss and 3.5% for future care effective April 30, 2014.

\*4 Changed effective August 1, 2015.

As detailed above, Ontario has the lowest discount rates in Canada. However, the extent to which Ontario awards are higher than other Canadian jurisdictions will depend on the circumstances.