



SUPREME COURT OF BRITISH COLUMBIA

Discount Rates pursuant to s. 56 of the *Law And Equity Act*

BC Reg 352/81 amended by BC Reg 74/2014

Under s. 56(2) of the Law and Equity Act, RSBC 1996, c. 253, the Chief Justice of the Supreme Court of British Columbia is authorized to make "regulations prescribing:

- (a) a discount rate that is deemed to be the future difference between the investment rate of interest and the rate of increase of earnings due to inflation and general increases in productivity, and
- (b) a discount rate that is deemed to be the future difference between the investment rate of interest and the rate of general price inflation."

The discount rate prescribed under s. 56(2)(a) is used in calculating the present value of future damages that are intended to compensate for or are determined with reference to (a) loss of future earnings because of partial or total loss of income earning capacity, or (b) loss of dependency under the Family Compensation Act. The discount rate prescribed under s. 56(2)(b) is used for all other future damages.

As of April 30, 2014 and pursuant to BC Reg 74/2014 which amended BC Reg 352/81, the prescribed discount rates are as follows:

- The discount rate prescribed under s. 56(2)(a) is 1.5%.
- The discount rate prescribed under s. 56(2)(b) is 2.0%.