Submission to Ministry of Finance

Pre-Budget Consultation 2021 Submission

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NCVA

The National Council of Veteran Associations in Canada

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- 1st Canadian Parachute Battalion Association
- 14th Canadian Field Regiment Association
- The 400 Squadron Historical Society (Toronto)
- 435-436 & Burma Squadrons Association
- Air Force Association of Canada
- Airborne Regiment Association of Canada
- Aircrew Association
- The Algonquin Regiment Veterans' Association
- Armed Forces Pensioners'/Annuitants' Association of Canada
- The Black Watch (Royal Highland Regiment) of Canada Association
- Bomber Command Association Canada
- Burma Star Association
- Canadian Airborne Forces Association
- Canadian Association of World War II Veterans from the Soviet Union
- Canadian Corps Association
- Canadian Fighter Pilots Association
- Canadian Forces Communications and Electronics Association
- Canadian Infantry Association
- Canadian Merchant Navy Veterans Association Inc.
- Canadian Military Intelligence Association
- Canadian Naval Air Group
- Canadian Naval Divers Association
- Canadian Paraplegic Association
- The Canadian Scottish Regimental Association
- Canadian Tribal Destroyer Association
- The Chief and Petty Officers' Association
- Dieppe Veterans and Prisoners of War Association
- The Dodo Bird Club of Ex–RCAF Flight Sergeants
- Ferry Command Association
- First Special Service Force Association
- Halton Naval Veterans Association
- Hong Kong Veterans Association of Canada
- Jewish War Veterans of Canada
- KLB (Koncentration Lager Buchenwald) Club
- Korea Veterans Association of Canada
- The Limber Gunners
- Maritime Air Veterans Association
- Métis Nation of Ontario Veterans Council
- The Military Vehicle Hobbyists Association
- National Prisoners of War Association of Canada
- Naval Association of Canada, Montreal Branch
- Naval Club of Toronto
- Nova Scotia – Naval Association of Canada
- Nursing Sisters' Association of Canada
- Operation Legacy
- The Overseas Club - Canadian Red Cross Corps (Overseas Detachment)
- The Polish Combatants' Association in Canada
- PPCLI Association
- The Queen's Own Rifles of Canada Association
- RCAF Prisoner of War Association
- Regimental Association for the Toronto Scottish Regiment (Queen Elizabeth the Queen Mother's Own)
- Royal Air Forces Escaping Society
- Royal Canadian Air Force Pre-War Club of Canada
- The Royal Canadian Army Service Corps Association
- Royal Canadian Naval Association
- The Royal Canadian Regiment Association
- Royal Naval Association - Southern Ontario Branch
- Royal Winnipeg Rifles Association
- The Sir Arthur Pearson Association of War Blinded
- The South Alberta Light Horse Regimental Association
- Submariners Association of Canada (Central Branch)
- Toronto Police Military Veterans Association
- The War Amputations of Canada
- War Pensioners of Canada
- War Veterans & Friends Club
- The Warriors' Day Parade Council
- White Ensign Club Montreal
- Wren Association of Toronto

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Veterans remain vitally interested in the position to be adopted by the Liberal Government with respect to the upcoming Federal Budget in order to substantively redress the longstanding injustice and inequity impacting Canada's disabled veterans and their families.

Veterans Affairs Canada Backlog/ Wait Times

The National Council of Veteran Associations (NCVA) continues to call for dramatic and innovative steps to be taken by Veterans Affairs Canada (VAC) to address the current unacceptable backlog and turnaround times experienced with respect to veterans' disability claims. As Deputy Minister Walt Natynczyk stated before the Standing Committee on Veterans Affairs, we have indeed reached a "perfect storm" which has only been compounded by the onset of the COVID-19 crisis.

We would reaffirm that the following represents the crux of our position in relation to this ongoing administrative crisis:

- The department should adopt the position that veterans' claims be considered at face value and be based on the reasonable evidence provided by the veteran and his or her family, with the proviso that individual files could be monitored over time and "spot audits" carried out to address any potential abuses. The clear reality that medical reports usually required by VAC to support these applications continue to be almost impossible to obtain at this time must be recognized in assessing this present dilemma.

- Even though medical offices and therapists' clinics are starting to re-open, these individual health professionals are simply overwhelmed with their own backlog and rescheduling delayed appointments. The preparation of medical reports to support veterans' claims is not a priority at this time for these beleaguered physicians and therapists.

- Unless creative steps are taken, the adjudicative delays and turnaround time dilemmas will not be relieved in the short term given the reality of the extreme difficulty in obtaining these medical/therapist reports to substantiate individual veterans' applications.

- There is a general consensus among major veteran stakeholders that this administrative/adjudicative measure leading to a form of fast-tracking/automatic entitlement deserves immediate attention.

- It has been the longstanding view of NCVA that this form of automatic entitlement approach should have been implemented by VAC years ago in regard to seriously disabled veterans, with the objective of expediting these specific claims so as to circumvent governmental "red tape" and in recognition of the fact that nearly all of these cases are ultimately granted entitlement in the end, often following many months of adjudicative delay. It is our considered position that now is clearly the time to extend this thinking to all veterans' claims.

- It is noteworthy that the current mandate letter received by the Minister of Veterans Affairs from the Prime Minister contains a specific direction that VAC should implement a form of automatic entitlement with respect to common disabilities suffered by Canadian veterans.

- It is also extremely significant that many financial assistance programs currently being rolled out by federal/provincial governments are premised on the philosophy of "pay now and verify later." In regard to a number of financial initiatives, the earlier need for medical reports to substantiate entitlement to these programs has been waived by the Government, given the impracticality of accessing any input from the medical profession in Canada at this troubled time.

- It is to be noted that the initial reaction of the department to this proposed form of fast-tracking/automatic entitlement was that this approach could be implemented for benefits that are paid on a monthly basis; however, given the fact in relation to disability awards that the majority of veterans are still opting for lump sums, this would represent a concern for the department.

- In addressing this concern, it was our recommendation that, as an interim step in granting this form of automatic entitlement, the disability award could be paid as a monthly allowance with a preliminary assessment in the first instance. Ultimately, the department would have the ability to fully assess the extent of the veteran's disability in order to determine the veteran's final assessment, at which point the veteran could choose to convert his or her monthly allowance to a lump sum award with the appropriate financial adjustment to consider the monthly amounts already paid.

- The great advantage in this recommendation is that the veteran's entitlement would be established early on and the veteran's concerns surrounding financial security and access to health care

and treatment benefits would be addressed in this manner.

- The old adage that "desperate times call for bold and creative measures" is particularly apt in this situation.

The department issued a policy statement in June 2020 in response to this serious concern entitled "Timely disability benefits decisions: Strategic direction for improving wait times." This communication piece has been a significant priority for some time, not only for NCVA but also the Standing Committee on Veterans Affairs and many other stakeholder groups.

In our considered opinion, this policy document is a statement of good intentions for the mid- to long-term objectives cited in the material, but fails to effectively remedy the present backlog crisis which has only been intensified by the COVID-19 challenge.

Although it is somewhat encouraging that the VAC policy statement has adopted a number of our proposals including the prospective employment of automatic entitlement for common disabilities, the utilization of presumptions for certain consequential disabilities, and the lessening of the requirement for medical referrals in specific cases, the department's report unfortunately concludes that this will take considerable time to implement.

Furthermore, the departmental policy statement places significant weight on the announcement that an approximate $90 million has been approved by the Government for VAC in a supplementary budget estimate to retain new employees to deal with the ongoing backlog. However, this newly acquired departmental staff will face a steep learning curve and will not have operational impact for some considerable time within the administration of the department.

It is also noteworthy that the Parliamentary Budget Office recently completed an evaluation of the VAC backlog through a financial analysis report issued on September 21, 2020 titled "Disability Benefit Processing at Veterans Affairs Canada" (https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/RP-2021-023-M/RP-2021-023-M_en.pdf). The PBO concluded that, without further significant increases in government funding to augment VAC staffing resources, the department would not substantially impact turnaround times for veterans' claims for years into the future, given the current pace of adjudication.

The department presented a formal briefing of their policy position on June 30, 2020 to various Ministerial Advisory Groups. As part of the ongoing dialogue surrounding this presentation, we took the strong position that the department needs to accelerate their plan of action through an adoption of the above-cited fast-tracking protocols/automatic entitlement approach for all outstanding veterans' applications.

Given the unattainability of medical reports from various health care providers, the following fundamental question requires an immediate answer:

> What level of evidence is the department prepared to accept to approve current claims in the backlog?

Clearly, individual veterans and/or their advocates who are preparing disability

applications must be cognizant of the department's position in relation to this important subject as to the sufficiency of evidence required for VAC approval.

In our judgment, the "approve and verify" philosophy we have espoused for many months is a crucial ingredient to the solution in this context.

Rather surprisingly, as part and parcel of our discussions, VAC has indicated through the briefing process that, ostensibly, "higher government authority" is required to implement this form of creative initiative.

With all due respect, NCVA is somewhat mystified by this prerequisite for government authority, as it has been readily apparent that VAC has determined the overall question of sufficiency of evidence for many decades in adjudicating veterans' applications. In this context, the impact of the benefit of the doubt/presumptive provisions of veterans' legislation has been in place for many years. In our experience, this unique set of adjudicative principles gives the department great latitude to reach a constructive resolution in relation to policy amendments to address the present crisis regarding wait times.

In summary, the VAC policy statement contains a number of positive steps to alleviate the backlog and unacceptable wait times relevant to veterans' disability claims. However, the scope and pace of these initiatives require a higher priority from the government in order to establish a more immediate resolution for veterans and their families, often facing severe financial insecurity during this COVID-19 crisis.

It is noteworthy that recent developments suggest that there is potential for progress to be achieved with respect to our crusade to compel VAC to take innovative and creative steps to alleviate the current unacceptable backlog/turnaround times for veterans' disability claims.

It is of significance that the House of Commons Standing Committee on Veterans Affairs issued its report "Clearing the Jam: Addressing the Backlog of Disability Benefit Claims at Veterans Affairs Canada" on Friday, December 11, 2020, following many months of study and stakeholder input: https://www.ourcommons.ca/Content/Committee/432/ACVA/Reports/RP11036287/acvarp04/acvarp04-e.pdf.

We presented our submission to the Committee as part and parcel of its deliberations: https://ncva-cnaac.ca/wp-content/uploads/2020/11/Submission-to-Standing-Committee-Nov2020.pdf.

The Standing Committee findings identify quite clearly the present crisis in VAC adjudication and call for urgent and dramatic change in departmental protocols. Most importantly, from our perspective, the report endorses our position that a form of automatic entitlement/pre-approval, together with fast-track protocols, needs to be adopted by the department to address this significant challenge. As we have strongly argued, systematic change is absolutely necessary. It is self-evident that the departmental measures to increase staffing and resources will not be sufficient on their own to resolve this deplorable state of affairs, as underlined by the Parliamentary Budget Office report of September 2020.

We would suggest that the Standing Committee's report reflects a comprehensive canvassing of a number of the salient issues surrounding the backlog/wait time problem. With respect to the adjudicative initiatives on which we have focused, the following represents the major recommendations made by the Standing Committee in its report to Parliament:

- **Recommendation 13:** That Veterans Affairs Canada continue to automatically approve applications for medical conditions presumptively attributed to service in the Canadian Armed Forces or the Royal Canadian Mounted Police, table to the Committee its list of such medical conditions, and continue to expand it through research in Canada and in allied countries.

- **Recommendation 14:** That Veterans Affairs Canada conduct a study on women-specific medical conditions related to service in the Canadian Armed Forces and Royal Canadian Mounted Police, and, when applicable, add them to the list of medical conditions presumptively connected to military service.

- **Recommendation 15:** That the Minister of Veterans Affairs amend the Veterans Well-being Regulations to allow for the automatic pre-approval of disability benefit claims, and that Veterans Affairs Canada implement a pilot project to identify the risks and advantages of such automatic pre-approval of claims.

- **Recommendation 16:** That Veterans Affairs Canada conduct an in-depth review of the Veterans Emergency Fund in the context of its use to support veterans waiting in the backlog and report back to the committee with their findings.

- **Conclusion:** Adopting these measures would exhibit good faith in dealing with the existing backlog and uphold the fundamental principle that has guided all Canadian veterans' compensation programs since World War I: the benefit of the doubt. Committee members want to reaffirm this principle and reassure veterans and their families that their well-being is the sole and unique purpose of Veterans Affairs Canada.

We are somewhat encouraged in regard to recent meetings with the Deputy Minister and senior officials of the department, in that it is readily apparent that the Deputy Minister is ostensibly in the process of seeking legislative/regulatory authority to implement appropriate adjudicative changes required in accord with the Standing Committee conclusions and our longstanding proposals. It is NCVA's hope that the department has finally recognized that there is sound rationale for incorporating the necessary adjudicative protocol amendments as the fundamental means of alleviating this unacceptable backlog/turnaround time conundrum.

As we have said all along, desperate times require bold and creative measures. Veterans deserve nothing less during these challenging times where financial and health concerns have been intensified by COVID-19!

The "Elephant in the Room" in VAC Remains

NCVA continues to take the position that there is much to do in improving veterans' legislation so as to address the financial and wellness requirements of Canada's disabled veterans and their families. This is particularly so with respect to the Pension for Life (PFL) provisions originally announced in December 2017 and formally implemented on April 1, 2019.

It is self-evident that only a very small number of seriously disabled veterans and their survivors may benefit from this new legislation – some seriously disabled veterans are actually worse off. However, the greater majority of disabled veterans will not be materially impacted by the legislation in that the new benefits under these legislative and regulatory amendments will have limited applicability.

This fails to satisfy the Prime Minister's initial commitment to address the inadequacies and deficiencies in the New Veterans Charter and continues to ignore the "elephant in the room" which has overshadowed this entire discussion.

As stated in our many submissions to VAC and Parliament, the Government has not met veterans' expectations with regard to the fundamental mandated commitment to "re-establish lifelong pensions" under the Charter so as to ensure that a comparable level of financial security is provided to all disabled veterans and their families over their life course. This financial disparity between the Pension Act (PA) and New Veterans Charter/Veterans Well-being Act (NVC/VWA) compensation was fully validated by the Parliamentary Budget Office's report issued on February 21, 2019, which clearly underlined this longstanding discrimination.

In this regard, it is essential to recognize that VAC has been substantially impacted by government budgetary constraints in implementing the PFL and related benefits, producing half-measures and inadequate benefit components to overall veterans' legislation.

Notwithstanding the Prime Minister's protestations as to the ability of his Government to finance appropriate veterans' benefits and programs, one has to ask the fundamental question: What has happened to the millions of dollars saved by VAC with the passing of tens of thousands of traditional veterans and early peacekeepers over recent years?

In this context, in relation to the basic issue as to the "affordability" of veterans' programs, the Government has failed to acknowledge the impact on the overall VAC budget of the fact that the greater majority of traditional disabled veterans have passed on over the past several years, resulting in significant savings in VAC's budgetary funding requirements. With the continuing loss of this significant cohort

of the veteran population, VAC is no longer required to pay pensions, allowances, health care benefits, treatment benefits, long-term care benefits, VIP et al for all of these disabled veterans.

In all fairness, it must be stated that, under the Harper Government's regime, the veterans' community was shoddily treated vis-à-vis budgetary expenditures for veterans' benefits and programs: numerous VAC district offices were closed, front line staffing to assist veterans was dramatically reduced, and budgetary constraints led to a lack of appropriate action to enact necessary reforms to veterans' programs and entitlements. What remains to be seen is whether the current Liberal Government will now stand up and be counted during the current Parliament and upcoming budget to reverse these years of neglect and injustice.

The NCVA Legislative Program for 2020-21 continues to emphasize our fundamental position with respect to the following core recommendation:

> That VAC, working together with the relevant Ministerial Advisory Groups and other veteran stakeholders, should think "outside the box" by jointly striving over time to create a comprehensive program model that would essentially treat all veterans with parallel disabilities in the same manner as to the application of benefits and wellness policies – thereby resulting in the elimination of artificial cut-off dates that arbitrarily distinguish veterans based on whether they were injured before or after 2006.

In our considered opinion, a genuine opportunity still exists for a commitment to substantially improve the legislation so as to eliminate the blatant discrimination suffered by disabled veterans since the enactment of the New Veterans Charter in 2006.

NCVA and veterans at large will be closely monitoring all federal leaders to determine which party is prepared to make a substantial commitment to addressing the shortfalls and inequities which continue to exist in veterans' legislation. In this regard, it must be remembered that there are almost 700,000 veterans in Canada today and, when family, friends and supporters are considered, this number of potential voters is not without significance – particularly where the history of minority governments in our country suggests that a new election will potentially ensue within the next six to 12 months.

If the "one veteran – one standard" philosophy advocated by VAC has any meaning, this glaring disparity between the Pension Act and the New Veterans Charter/Veterans Well-being Act benefits for disabled veterans requires that the Liberal Government and the Opposition parties seize the moment and satisfy the financial needs of Canadian veterans and their dependants. In so doing, Parliament would finally be recognizing that the longstanding social covenant between the Canadian people and the veterans' community demands nothing less.

Pension for Life

With specific reference to the provisions of the legislation which became effective April 1, 2019, the statutory and regulatory amendments ostensibly reflect the Government's attempt to create a form of "pension for life" which includes the following three elements:

1. A disabled veteran has the option to receive the present lump sum disability award in the form of a new Pain and Suffering Compensation benefit representing a payment in the maximum amount of $1,150 per month (in 2020, $1,171.85) for life. For those veterans in receipt of a disability award, retroactive assessment would potentially apply to produce a reduced monthly payment for life for such veterans. In effect, VAC has simply converted the amount of the lump sum disability award into a form of a lifetime annuity as an option for those disabled veterans who are eligible.

2. A new Additional Pain and Suffering benefit has essentially replaced the Career Impact Allowance (Permanent Impairment Allowance) under the New Veterans Charter, with similar grade levels and monthly payments which reflect a non-taxable non-economic benefit but is limited in its application to those veterans suffering a "permanent and severe impairment which is creating a barrier to re-establishment in life after service."

3. A new, consolidated Income Replacement Benefit (IRB), which is taxable, combines four pre-existing benefits (Earnings Loss Benefit, Extended Earnings Loss Benefit, Supplementary Retirement Benefit, and Retirement Income Security Benefit) with a proviso that the IRB will be increased by one per cent every year until the veteran reaches what would have been 20 years of service or age 60. It is not without financial significance that the former Career Impact Allowance and Career Impact Allowance Supplement have been eliminated from the Income Replacement Benefit package as identified by the aforementioned Parliamentary Budget Office report in February 2019.

It is readily apparent that significant amendments to the New Veterans Charter/Veterans Well-being Act are required so as to address the proverbial "elephant in the room" in that the PFL legislation fails to satisfy the priority concerns of the veterans' community in relation to:

(i) Resolving the significant disparity between the financial compensation paid to disabled veterans under the Pension Act and the New Veterans Charter/Veterans Well-being Act; and

(ii) Ensuring that no veteran under the New Veterans Charter/Veterans Well-being Act receives less compensation than the veteran under the Pension Act with the same disability or incapacity in accordance with the "one veteran – one standard" principle.

It is totally unacceptable that we continue to have veterans' legislation in Canada which provides a significantly higher level of compensation to a veteran who is injured prior to 2006 (date of enactment of the New Veterans Charter) when compared to a veteran who is injured post-2006. If applied to the Afghanistan conflict, this discrimination results in veterans of the same war having totally different pension benefits.

During the course of discussions following Budget 2017 leading up to the Minister's announcement, there was considerable concern in the veterans' community, which proved to be well founded, that the Government would simply establish an option wherein the lump sum payment (Disability Award) would be apportioned or reworked over the life of the veteran for the purposes of creating a lifelong pension. NCVA and other veteran stakeholders, together with the Ministerial Policy Advisory Group (MPAG), strongly criticized this proposition as being totally inadequate and not providing the lifetime financial security which was envisaged by the veterans' community.

It is fair to say that the reasonable expectation of veteran stakeholders was that some form of substantive benefit stream needed to be established which would address the financial disparity between the benefits received under the PA and the NVC for all individually disabled veterans.

It has been NCVA's consistent recommendation to the Minister and to the department that VAC should adopt the major conclusions of the Ministerial Advisory Group Report formally presented to the Veterans Summit in Ottawa in October 2016 (as updated directly to the Minister in January 2020) together with the recommendations contained in the NCVA Legislative Program – both of these reports proposed that the combination of the best provisions of the Pension Act and the best provisions of the New Veterans Charter would produce a form of lifetime pension in a much more realistic manner in order to secure the financial security for those veterans who need this form of monetary support through their lifetime.

We would refer to recent NCVA op ed papers published over the last year and our analysis contained in the Financial Comparison section later in this report, which addresses in considerable detail the fundamental deficiencies and flaws contained in the VAC position and outlines a series of proposals as to what can be done to improve the PFL concept.

We strongly encourage the Government to seriously consider the implementation of the following major recommendation of the MPAG as a first step to addressing this problem of the "elephant in the room":

"[T]he enhancement of the Earnings Loss Benefit/Career Impact Allowance as a single stream of income for life, the addition of Exceptional Incapacity Allowance, Attendance Allowance and a new monthly family benefit for life in accordance with the Pension Act will ensure all veterans receive the care and support they deserve when they need it and through their lifetime."

In specific terms, we would also suggest that the following steps would dramatically enhance the legislative provisions and amended regulations relevant to the present PFL proposition and go a long way to satisfying the "one veteran – one standard" approach ostensibly followed by VAC as a basic principle of administration:

1. Liberalize the eligibility criteria in the legislation and regulatory amendments for the new Additional Pain and Suffering Compensation benefit so that more disabled veterans actually qualify for this benefit – currently, only veterans suffering from a severe and permanent impairment will be eligible. It bears repeating that the greater majority of disabled veterans simply will not qualify for this new component of the proposed lifelong pension.

   It is noteworthy that the new regulations with respect to the Additional Pain and Suffering Compensation (APSC) benefit largely replicate the eligibility prerequisites of the Permanent Impairment Allowance/Career Impact Allowance. These PIA/CIA provisions have produced restrictive and arbitrary results over the years since their inception and were further complicated with the formula established by VAC in 2017 in relation to the interpretation of the CIA grades through the employment of the "Diminished Earnings Capacity" test. Although the APSC has moved away from the evaluation of Diminished Earnings Capacity to an analysis of the extent to which a permanently impaired veteran is confronting barriers on his or her return to civilian society, the legislative test remains onerous and unavailable to a greater majority of disabled veterans.

   A more generous and readily understood approach is required in the amended regulations for the APSC benefit so as to generate a more inclusive class of disabled veterans. It has been the longstanding position of NCVA that the traditional PIA/CIA regulations and policy guideline requirements reflect a "blunt instrument" as opposed to a "precise tool" in evaluating the overall impact that an injury may have on a disabled veteran.

   In NCVA's 2018 Legislative Program, we argued that the veteran's Disability Award (Pain and Suffering Compensation (PSC) benefit) initially granted should be a major determinant in evaluating CIA (APSC) qualifications. The ostensible new criteria employed by VAC as set out in the regulatory amendments for APSC qualification represent, in our judgment, a more restrictive approach when compared to the Disability Award evaluation.

   In effect, it is the position of NCVA that this employment of the Disability Award (PSC) percentage would produce a more straightforward and easier-understood

solution to this ongoing issue of APSC (CIA) eligibility. The following would reflect this form of evaluation criteria for APSC (CIA):

Veteran Disability Award (PSC)	APSC (CIA) Grade
78% or over	1
48% - 78%	2

Alternatively, the DA (PSC) percentage could be applied in a more precise manner by using the percentile against the maximum APSC (CIA) compensation available – for example, if a veteran is in receipt of a DA (PSC) of 65% the veteran would receive 65% of the maximum APSC (CIA) allowance. For the purposes of potentially replacing the current Grade 3 assessment, it is our recommendation that the DA (PSC) percentile could be similarly applied, i.e., if a veteran is in receipt of a DA (PSC) of 25%, the veteran would receive 25% of the maximum APSC (CIA) allowance. Note that this quantification of career impact has been utilized under the Pension Act for almost one hundred years in assessing the loss of earning capacity of a disabled veteran for lifetime pension purposes.

The adoption of this type of approach would have the added advantage of enhancing the PFL so as to incorporate more disabled veterans and address the fundamental parity question in relation to Pension Act benefits.

With reference to the regulatory amendments emanating from the new PFL provision, we would also express concern that the regulatory prerequisite for the APSC benefit with regard to the disability of amputation remains arbitrarily defined, both as to eligibility and designated grade level.

It is to be noted that amputation at or above the knee or at or above the elbow is retained as a fundamental requirement for qualification in relation to a single-limb amputee; however, our years of experience with The War Amputations of Canada make clear that the loss of a limb at any level represents a "severe and permanent impairment" for the veteran amputee. The current arbitrary distinction is not justified and should be amended.

2. Create a new family benefit to parallel the Pension Act provision in relation to spousal and child allowances to recognize the impact of the veteran's disability on his or her family.

3. Incorporate the special allowances under the Pension Act, i.e., Exceptional Incapacity Allowance and Attendance Allowance, into the New Veterans Charter/Veterans Well-being Act to help address the financial disparity between the two statutory regimes.

   In my over 40 years of working with The War Amps of Canada, we have literally handled hundreds of special allowance claims and were specifically involved in the formulation of the Exceptional Incapacity Allowance and Attendance Allowance guidelines and grade profiles from the outset. We would indicate that these two special allowances,

EIA and AA, represent an integral portion of the compensation available to war amputees and other seriously disabled veterans governed by the Pension Act.

It is of further interest in our judgment that the grade levels for these allowances tend to increase over the life of the veterans as the "ravages of age" are confronted – indeed, non-pensioned conditions such as the onset of a heart, cancer or diabetic condition, for example, are part and parcel of the EIA/AA adjudication uniquely carried out under the Pension Act policies in this context.

As a sidebar, it is interesting that VAC refers to the new Caregiver Recognition Benefit (CRB) of $1,000 a month as an indication of the Government's attempt to address the needs of families of disabled veterans. What continues to mystify the veterans' community is why the Government has chosen to "reinvent the wheel" in this area when addressing this need for attendance/caregiving under the New Veterans Charter/Veterans Well-being Act. For many decades, Attendance Allowance (with its five grade levels) has been an effective vehicle in this regard, providing a substantially higher level of compensation and more generous eligibility criteria to satisfy this requirement. In this context, it is noteworthy that the spouses or families of seriously disabled veterans often have to give up significant employment opportunities to fulfill the caregiving needs of the disabled veteran – $1,000 a month is simply not sufficient recognition of this income loss. VAC should return to the AA provision and pay such benefit to the caregiver directly if so desired.

We would strongly suggest that VAC pursue the incorporation of the EIA/AA special allowances into the New Veterans Charter/Veterans Well-being Act with appropriate legislative/regulatory amendments so as to address these deficiencies in the PFL.

4. Establish a newly-structured Career Impact Allowance which would reflect the following standard of compensation: "What would the veteran have earned in his or her military career had the veteran not been injured?" This form of progressive income model, which has been recommended by the MPAG and the Office of the Veterans Ombudsman (OVO), would be unique to the NVC/VWA, and would bolster the potential lifetime compensation of a disabled veteran as to his or her projected lost career earnings as opposed to the nominal one percent increase provided in the proposed legislation.

As a general observation in relation to the new legislation and the regulatory amendments with regard to the evaluation of the calculation surrounding the new IRB, we would suggest the following concerns are material:

- With reference to the one percent per year increase in the IRB, it is to be noted that this percentile augmentation ostensibly decreases in financial impact with the higher number of years of military service experienced by the disabled veteran and disappears completely for those veterans who have served for over 20 years prior to suffering their injury or disability.

As underlined by the Parliamentary Budget Office's report of February 2019, it is also significant that, with the elimination of the Career Impact Allowance supplements ($12,000 per year allowance), new veteran applicants post-April 1, 2019 are potentially at a disadvantage due to the impact of this mathematical calculation, as for many veterans the one percent increase in the IRB will not make up for the loss of the CIA(S).

- The post-65 benefits of the IRB (the former Retirement Income Security Benefit (RISB)) are substantially impacted by a multitude of financial offsets which reduce the net amount of this benefit to the disabled veteran. Such financial offsets encompass any other income received by the veteran including CPP, OAS, CFSA benefits et al. In reviewing the VAC pension model used in the public statements emanating from the department and the examples employed in the 2018 budget papers, it would appear that VAC has not factored in these offset elements in the overall analysis.

We would strongly suggest that the department consider the impact of these factors relative to the new IRB, particularly for disabled veterans who require such income replacement for life. In addition, we would submit that VAC should ultimately adopt the above-mentioned progressive income model for a newly structured form of CIA in accord with the approach utilized by the Canadian courts as to "future loss of income."

In summary, it is fundamental to understand that it was truly the expectation of the disabled veteran community that the "re-establishment" of a PFL option would not just attempt to address the concerns of the small minority of disabled veterans but would include a recognition of all disabled veterans who require financial security in coping with their levels of incapacity.

As a final observation, VAC consistently talks of the significance that the Government attaches to the wellness, rehabilitation and education programs under the NVC/VWA. As we have stated on a number of occasions, we commend VAC for its efforts to improve these important policies. NCVA recognizes the value and importance of wellness and rehabilitation programs; however, we take the position that financial security remains a fundamental necessity to the successful implementation of any wellness or rehabilitation strategy. It is readily apparent that this is not a choice between wellness and financial compensation as advanced by the Minister and the Prime Minister, but a combined requirement to any optimal re-establishment approach to medically released veterans.

Ideally, we would like to believe that VAC, working together with relevant Ministerial Advisory Groups and other veteran stakeholders, could create a comprehensive program model that would essentially treat all veterans with parallel disabilities in the same manner as to the application of benefits and wellness policies.

In our judgment, the adoption of this innovative policy objective would have the added advantage of signaling to the veterans' community that VAC is prepared to take progressive steps to tackle legislative reform beyond the current PFL provision so as to address this fundamental core issue of concern to Canada's veterans.

Financial Comparison: Pension Act/New Veterans Charter/ Veterans Well-being Act/NCVA Recommendations

As a fundamental tenet of our current Legislative Program, NCVA has made a number of recommendations to the Minister of Veterans Affairs and senior VAC officials to address the discrimination and inequity (the "elephant in the room") that exists with respect to the financial compensation available to disabled veterans and their families under the traditional Pension Act (PA) and the New Veterans Charter/Veterans Well-being Act (NVC/VWA).

The essential components of the NCVA recommendations are as follows:

- NCVA takes the position that VAC, working together with relevant Ministerial Advisory Groups and other veteran stakeholders, should think "outside the box" by jointly striving over time to create a comprehensive program model that would essentially treat all veterans with parallel disabilities in the same manner as to the application of benefits and wellness policies – thereby resulting in the elimination of artificial cut-off dates that arbitrarily distinguish veterans based on whether they were injured before or after 2006. In our considered opinion, the Government has failed to meet veterans' expectations with regard to its mandated commitment to "re-establish lifelong pensions" so as to ensure that a comparable level of financial security is provided to all disabled veterans and their families over their life course.
- NCVA adopts the position that much more is required to improve the NVC/VWA and that the Government needs to fully

Pensions and benefits

implement the Ministerial Policy Advisory Group (MPAG) recommendations presented to the Minister of Veterans Affairs and the Veterans Summit in October 2016 with particular emphasis on:

- Ensuring that no veteran under the NVC/VWA would receive less compensation than a veteran under the PA with the same disability or incapacity in accordance with the "one veteran – one standard" principle; and

- Utilizing a combination of the best provisions from the PA and the best provisions from the NVC/VWA, so as to produce a form of lifetime pension in a much more realistic manner in order to secure the financial security for those veterans who need this form of monetary support through their lifetime.

In addition to these overriding guiding principles for veterans' legislative reform, the following NCVA recommendations represent specific statutory and policy amendments in furtherance of this objective:

- Liberalize the eligibility criteria in the legislation and regulatory amendments for the new Additional Pain and Suffering Compensation (APSC) benefit so that more disabled veterans actually qualify for this benefit. Currently only veterans suffering from a severe and permanent impairment will be eligible. It bears repeating that the greater majority of disabled veterans simply will not qualify for this new component of the proposed lifelong pension.

- The Veterans Disability Award (PSC benefit) initially granted to the veteran should be a major determinant in evaluating APSC qualifications. It is the position of NCVA that this employment of the Disability Award (PSC) percentage would produce a more straightforward and easier understood solution to this ongoing issue of APSC eligibility.

- Create a new family benefit for all veterans in receipt of a Disability Award (PSC) to parallel the PA provisions in relation to spousal and child allowances to recognize the impact of the veteran's disability on his or her family.

- Incorporate the longstanding special allowances under the PA, i.e., Exceptional Incapacity Allowance (EIA) and Attendance Allowance (AA), into the NVC/VWA to help address the financial disparity between the two statutory regimes.

- Replace the present Caregiver Recognition Benefit (CRB) by revitalizing the traditional concept of AA, payable to informal caregivers to better recognize and more generously compensate the significant effort and economic loss to support injured veterans, and ensure access reflects consideration for the effects of mental health injuries.

- Establish a newly structured Career Impact Allowance (CIA) which would reflect the following standard of compensation: "What would the veteran have earned in his or her military career had the veteran not been injured?" This form of progressive income model, which has been recommended by

the MPAG and the OVO, would be unique to the NVC/VWA and would bolster the potential lifetime compensation of the disabled veteran as to his or her projected lost career earnings, as opposed to the nominal one percent increase provided in the current legislation.

- NCVA encourages VAC to revisit the MPAG proposition of consolidating the present Income Replacement Benefit (IRB) and a newly structured CIA to provide a single stream of income for life which would include the "projected career earnings" approach.

Let us now compare the present pension benefit regimes and then take a look at what VAC legislation would provide to veterans and their families if the afore-mentioned NCVA proposals were adopted by the Government.

For 100 percent pensioners (at maximum rate of compensation):

PENSION ACT (2020)

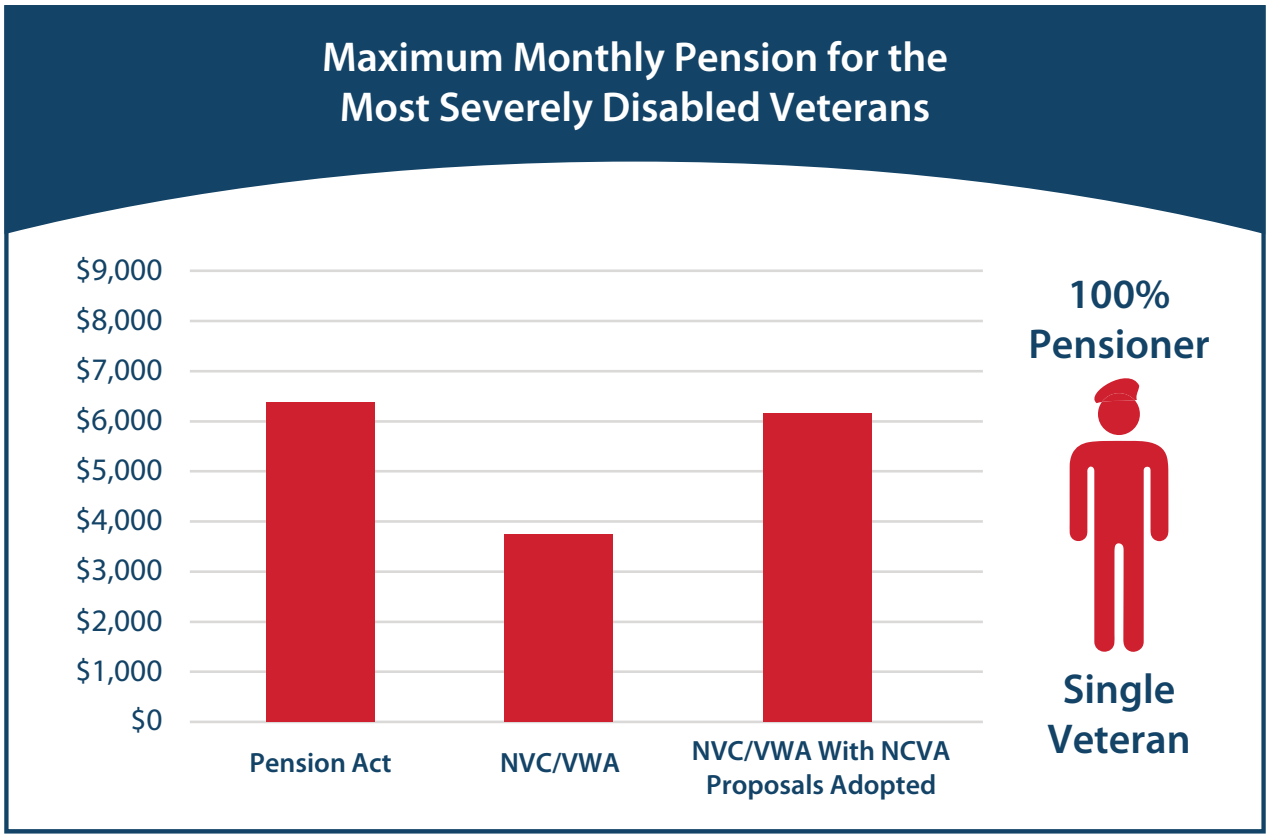
Benefit (maximum per month)	Veteran plus spouse and two children	Veteran plus spouse	Single veteran
Disability Pension	$4,294.00	$3,639.00	$2,911.00
Exceptional Incapacity Allowance	1,541.00	1,541.00	1,541.00
Attendance Allowance	1,926.00	1,926.00	1,926.00
TOTAL	$7,761.00	$7,106.00	$6,378.00

NEW VETERANS CHARTER/VETERANS WELL-BEING ACT (2020)

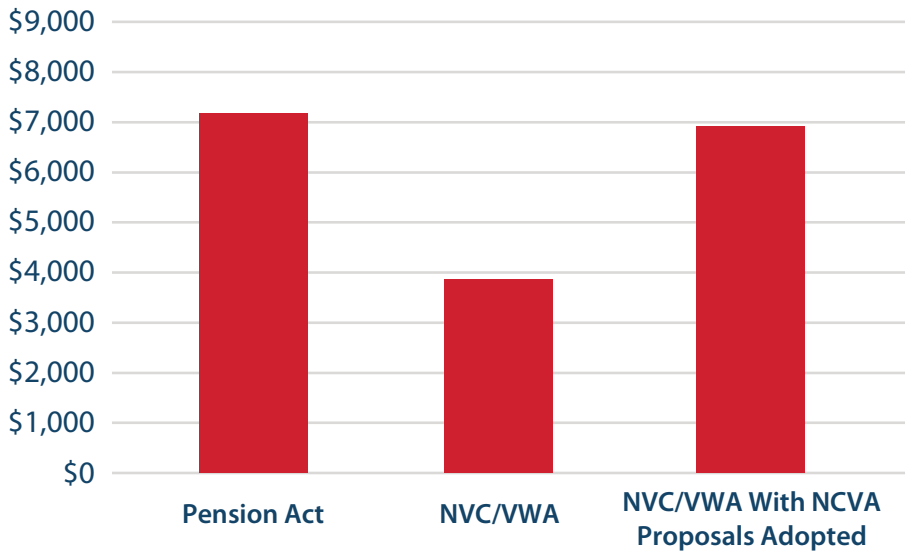
Benefit (maximum per month)	Veteran plus spouse and two children	Veteran plus spouse	Single veteran
Pain and Suffering Compensation	$1,172.00	$1,172.00	$1,172.00
Additional Pain and Suffering Compensation	1,528.00	1,528.00	1,528.00
Caregiver Recognition Benefit	1,043.00	1,043.00	1,043.00
TOTAL	$3,743.00	$3,743.00	$3,743.00

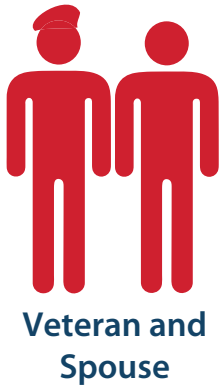
NEW VETERANS CHARTER/VETERANS WELL-BEING ACT (2020) (in the event NCVA proposals are adopted)

Benefit (maximum per month)	Veteran plus spouse and two children	Veteran plus spouse	Single veteran
Pain and Suffering Compensation	$1,172.00	$1,172.00	$1,172.00
Additional Pain and Suffering Compensation	1,528.00	1,528.00	1,528.00
Family benefit (PA)	1,383.00	728.00	0.00
Exceptional Incapacity Allowance (PA)	1,541.00	1,541.00	1,541.00
Attendance Allowance (PA)	1,926.00	1,926.00	1,926.00
TOTAL	$7,550.00	$6,895.00	$6,167.00

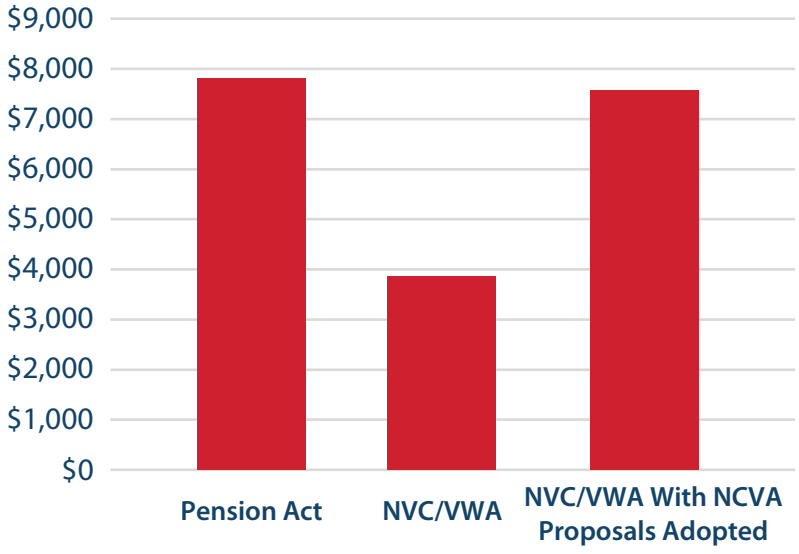


Maximum Monthly Pension for the Most Severely Disabled Veterans





Maximum Monthly Pension for the Most Severely Disabled Veterans



It is of even greater significance to recognize the impact of the Pension for Life (PFL) policy which became effective on April 1, 2019, on those disabled veterans who might be considered moderately disabled as the disparity in financial compensation between the statutory regimes is even more dramatic.

Let us take the illustration of a veteran with a 35 percent disability assessment:

- Assume the veteran has a mental or physical injury which is deemed not to be a "severe and permanent impairment" – the expected eligibility reality for the greater majority of disabled veterans under the NVC/VWA.

- The veteran enters the income replacement/rehabilitation program with Service Income Security Insurance Plan Long-Term Disability (SISIP LTD) as the first responder or the IRB/rehabilitation program with VAC.

- Ultimately the veteran finds employment in the public or private sector attaining an income of at least 66-2/3 percent of his or her former military wage.

It is important to be cognizant of the fact that, once such a veteran earns 66-2/3 percent of his or her pre-release military income, the veteran is no longer eligible for the SISIP LTD or the VAC IRB and, due to the fact that the veteran's disability does not equate to a "severe and permanent impairment," the veteran does not qualify for the new Additional Pain and Suffering Compensation Benefit.

Therefore, the comparability evaluation for 35 percent pensioners would be as follows under the alternative pension schemes:

PENSION ACT (2020)

Benefit (35 percent per month)	Veteran plus spouse and two children	Veteran plus spouse	Single veteran
Disability Pension	$1,503.00	$1,273.00	$1,018.00

NEW VETERANS CHARTER/VETERANS WELL-BEING ACT (2020)

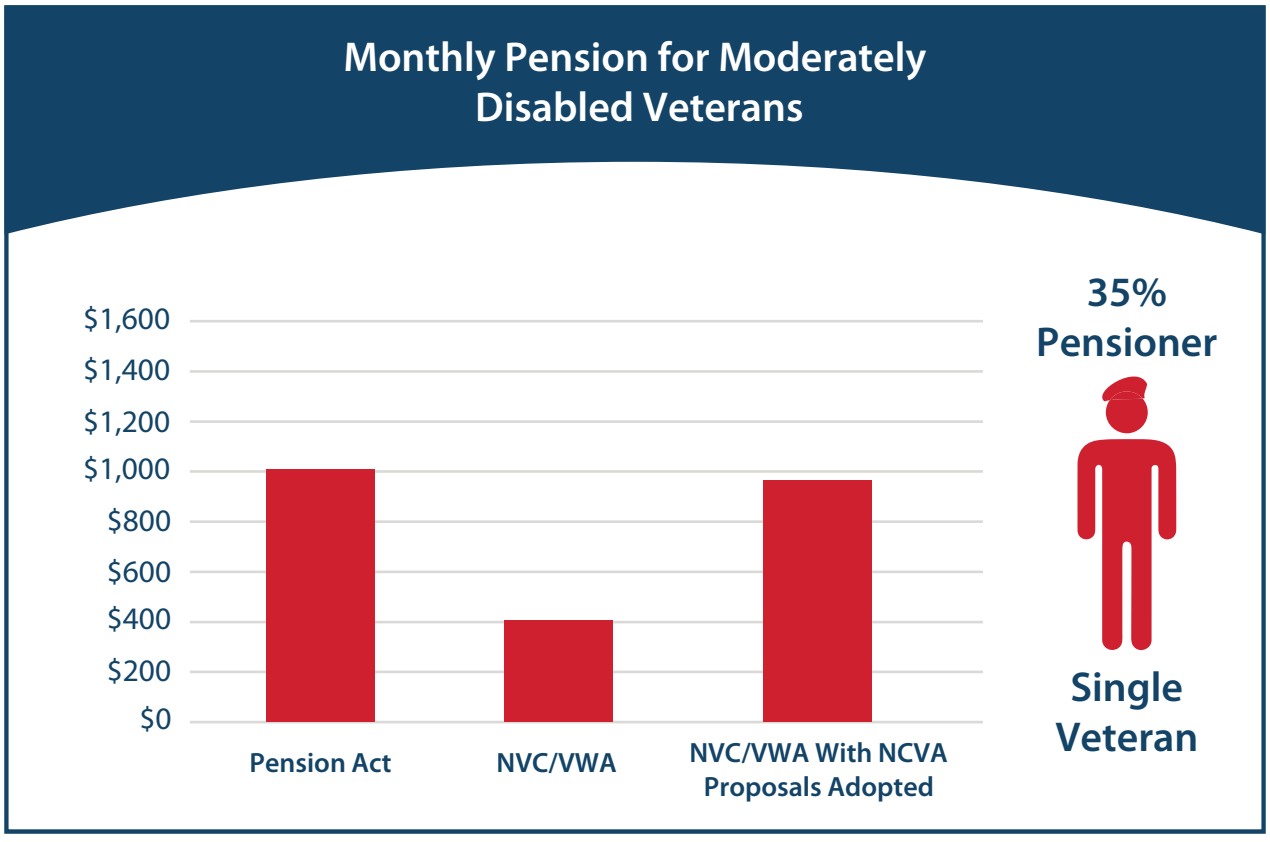
Benefit (35 percent per month)	Veteran plus spouse and two children	Veteran plus spouse	Single veteran
Pain and Suffering Compensation	$410.00	$410.00	$410.00

We would underline that this analysis demonstrates the extremely significant financial disparity which results for this type of moderately disabled veteran. It is also essential to recognize that over 80 percent of disabled veterans under the NVC/VWA will fall into this category of compensation. Unfortunately, the perpetuation of the inequitable treatment of these two distinct classes of veteran pensioner is self-evident and remains unacceptable to the overall veterans' community.

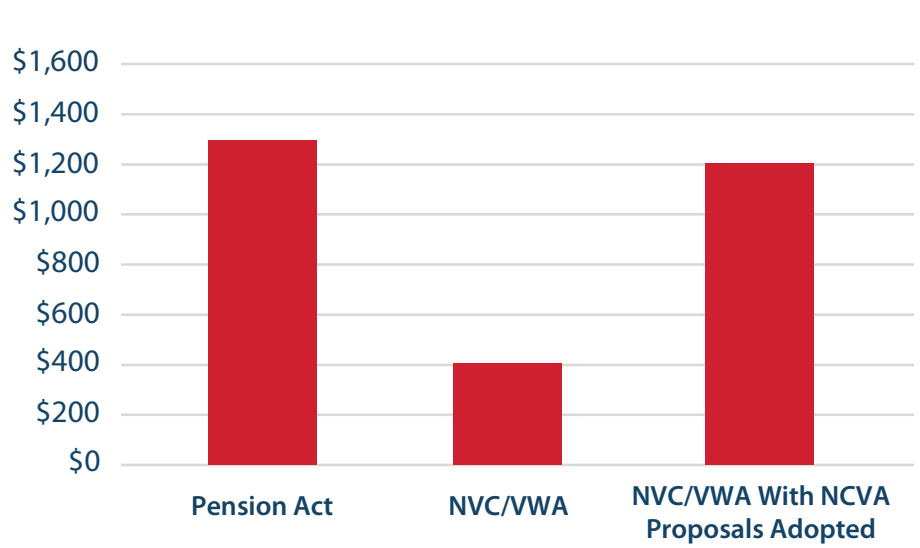
Finally, let us consider the impact on this analysis in the event the NCVA proposals were to be implemented as part and parcel of an improved NVC/VWA:

NEW VETERANS CHARTER/VETERANS WELL-BEING ACT (2020) (in the event NCVA proposals are adopted)

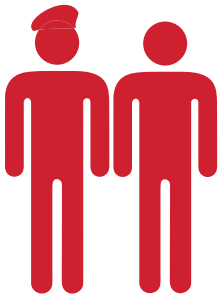
Benefit (35 percent per month)	Veteran plus spouse and two children	Veteran plus spouse	Single veteran
Pain and Suffering Compensation	$410.00	$410.00	$410.00
Additional Pain and Suffering Compensation	535.00	535.00	535.00
Family benefit (PA)	485.00	255.00	0.00
TOTAL	$1,430.00	$1,200.00	$945.00



Monthly Pension for Moderately Disabled Veterans

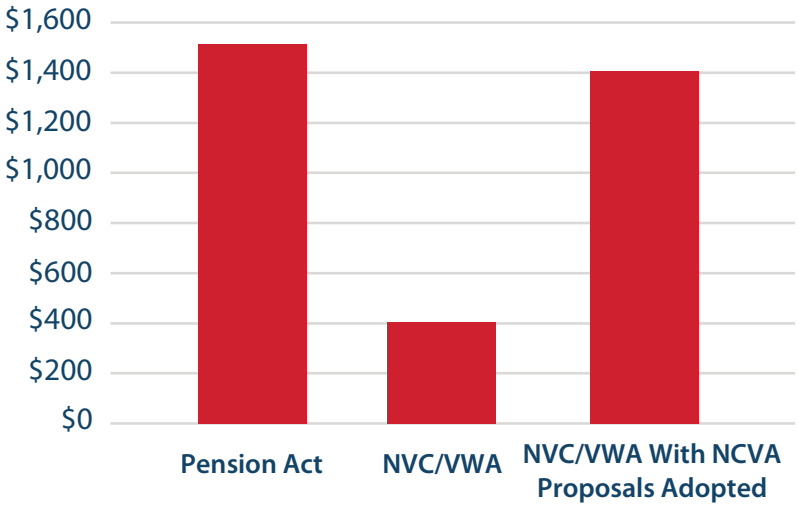


35% Pensioner

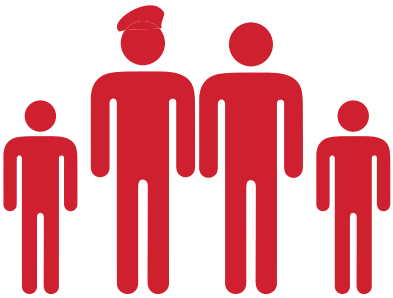


Veteran and Spouse

Monthly Pension for Moderately Disabled Veterans



35% Pensioner



Veteran, Spouse and Two Children

In summary, this combination of augmented benefits proposed by NCVA would go a long way to removing the discrimination that currently exists between the PA and the NVC/VWA and would represent a substantial advancement in the reform of veterans' legislation, concluding in a "one veteran – one standard" approach for Canada's disabled veteran population.

In addition, should VAC implement NCVA's recommendations (as supported by the OVO and MPAG) with respect to a newly structured CIA, the IRB would be substantially enhanced by incorporating this progressive future loss of income standard as to "What would the veteran have earned in his or her military career had the veteran not been injured?"

It is noteworthy that the current IRB essentially provides 90 percent of the former military wage of the veteran, together with a limited one percent increment dependent on the veteran's years of service, resulting in an inadequate recognition of the real loss of income experienced by the disabled veteran as a consequence of his or her shortened military career.

The new conceptual philosophy of this future loss of income approach parallels the longstanding jurisprudence found in the Canadian courts in this context and is far more reflective of the actual financial diminishment suffered by the disabled veteran (and his or her family). This would represent a major step forward for VAC in establishing a more equitable compensation/pension/wellness model.

As a final observation, it is noteworthy that the Prime Minister, various Ministers of the Department and senior governmental officials of VAC, in their public pronouncements from time to time, have emphasized that additional benefits and services are uniquely available under the NVC/VWA with respect to income replacement, rehabilitation, and wellness programs.

NCVA fully recognizes the value and importance of these programs and we commend VAC for its efforts to improve the Department's wellness and educational policies. However, it should be noted that a number of programs dealing with essentially parallel income replacement and rehabilitation policies already exist under the PA regime by means of services and benefits administered by the Department of National Defence (DND) through their SISIP LTD insurance policy and Vocational Rehabilitation (VOC-REHAB) Programs.

The one unique element of NVC/VWA with respect to income replacement which is comparably beneficial for a very small number of seriously disabled veterans is triggered where such a disabled veteran is designated as having qualified for "Diminished Earnings Capacity" status (which requires that a veteran is unemployable for life as a consequence of his or her pensioned disabilities).

In these circumstances, such a veteran will receive additional funds post-65 for life that are not available under the Pension Act/SISIP LTD program where such income replacement ends at age 65. This is most significant where the veteran has been medically released relatively early in his or her career.

It is noteworthy in this scenario that less than six percent of all disabled veterans qualify for

the Diminished Earnings Capacity. Thus, 94 percent of veterans are not eligible for this post-65 benefit under the NVC/VWA.

At the time of the enactment of the New Veterans Charter in 2006, VAC committed to eliminating SISIP LTD and VOC-REHAB programs and creating a new universal gold standard in regard to income replacement and wellness policies which would be applicable to all disabled veterans in Canada. The reality is that the SISIP LTD and VOC-REHAB insurance policy has been and continues today to be "the first responder" for the greater majority of disabled veterans who have been medically released from the Canadian Armed Forces (CAF) in relation to both the PA and the NVC/VWA.

As a fundamental conclusion to our position, we would like to think that the Government could be convinced that, rather than choosing one statutory regime over the other, a combination of the best parts of the PA and the best parts of the NVC/VWA would provide a better compensation/wellness model for all disabled veterans in Canada.

All of which is respectfully submitted as the formal submission of the National Council of Veteran Associations in relation to the 2021 Pre-Budget Consultation.

The National Council of Veteran Associations in Canada, founded in 1932, is an umbrella organization of 68 distinct veterans' associations formed to ensure a strong and independent voice on issues which are of significant interest to the veterans' community at large. NCVA has a diverse membership consisting of a range of member organizations that reflect the width and breadth of the veteran constituency. In addition to NCVA's ongoing and continuing efforts to ensure that the traditional veterans' community receives the most effective services and entitlements possible, NCVA has also been a leading voice and advocate in the cause of the modern-day veteran in furtherance of the implementation of legislative reform with respect to the New Veterans Charter/Veterans Well-being Act.

Appendix: Veterans Legislation and Policies

Career Impact Allowance

Notwithstanding the fact that VAC has converted the former Career Impact Allowance provision into the Additional Pain and Suffering Compensation benefit, it remains the position of NCVA, in concert with the Policy Advisory Group, that the department should revisit the concept of CIA and address the future loss of income suffered by a disabled veteran on the basis of the following fundamental question – "What would the disabled veteran have earned in his or her projected military career if the veteran had not been injured?"

It will be recalled that it is the position of the Policy Advisory Group, as endorsed by the longstanding view of NCVA, that, once this benchmark for CIA is established, a newly structured benefit be developed as delineated in various reports emanating from the OVO over recent years and as proposed by the New Veterans Charter Advisory Group in 2009. The evaluation of the Veterans Ombudsman demonstrates the relative predictability of the elevation of a CAF member through his or her military career in recognizing the specific ranks the member would have achieved had the member not been injured.

It is also of considerable import that the Canadian Civil Courts over the last number of decades have evaluated the plight of severely injured plaintiffs by consistently applying the concept of future loss of income in assessing monetary damages. In a similar fashion to the proposals emanating from our Policy Advisory Group on Career Impact Allowance, the courts consider the probable career earnings of an injured plaintiff from the perspective of future loss of income or, alternatively, future loss of earnings capacity as part and parcel of the damage award granted to plaintiffs in the Canadian judicial system.

It is of interest that, in the context of VAC, the department has a distinct advantage over the courts, as the judicial system only has "one bite at the apple" at the time of the court hearing or settlement. VAC, on the other hand, is able to monitor the income position of a disabled veteran throughout his or her life to determine the differential between the benchmark established by the CIA concept and the actual income received by the veteran. Query: why should an injured Canadian veteran receive less than an injured plaintiff with reference to

"future loss of income"? We have, in effect, paralleled the Disability Award under the NVC/VWA with general damage awards in the Canadian courts – why not replicate the philosophy of the future loss of income concept as well?

New Veterans Education and Training Benefit

It is the opinion of VAC and, more particularly, Deputy Minister Natynczyk, that this program represents a landmark proposal which substantially enhances the Education and Training Benefit for all eligible veterans. The Deputy Minister suggested at the time of the formal announcement that it was based on the United States G.I. Bill in relation to extending educational benefits beyond disabled veterans so as to include all released veterans who qualify under this new program.

The benefit will be available for ten years going forward following the release of the veteran and will be retroactive to April 1, 2006. Unfortunately, veterans released from the CAF prior to 2006 will not qualify for this benefit which, in our judgment, reflects a rather arbitrary cut-off date and conceivably is a government decision founded on budgetary constraints.

This program was initiated on April 1, 2018 for all veterans honourably released on or after April 1, 2006 – veterans with six years of eligible service will be entitled to up to $40,000 of benefits, while veterans with twelve years of eligible service will be entitled to up to $80,000 of benefits. The Minister/Deputy Minister emphasized that the benefit would provide more money for veterans to go to college, university, or technical school after they complete their service.

There is little question that this newly expanded educational benefit is potentially beneficial to a much larger segment of the veterans' community. NCVA's one caveat is that the "devil is often in the details" and questions of eligibility criteria have to be examined closely and, in addition, it is necessary to determine whether the rather restrictive policy in the past regarding educational programs for disabled veterans has been addressed and if more liberal access in general will be achieved by this initiative.

It is also important to understand whether a released veteran wishing to take advantage of the educational benefit will be covered through some form of income replacement program to address the potential diminishment in income received for the maximum four-year period, i.e., will the SISIP LTD program or the VAC IRB program accompany this educational benefit particularly for disabled veterans who might qualify though this REHAB/Education Program?

Deputy Minister Natynczyk also indicated that, for those veterans who find education is not their solution, there would be further monies available under this program for career development courses in the neighbourhood of $5,000 per veteran.

Partial Disabilities

In early 2018, VAC created a new policy with reference to partial entitlement flowing from veterans' legislation, i.e., disabilities arising in part out of military service or consequential disabilities arising in part from a primary disability.

The VAC policy amendment established a principle that any partial entitlement award would either be granted at four-fifths or

five-fifths. In the past, fractional entitlements in this context were granted in fifths – one-fifth, two-fifths, three-fifths et al. The backgrounder information given to our Advisory Group from VAC indicated that these fractional entitlements were often appealed one-fifth at a time, clogging up the entire VAC adjudicative system. It was felt that it would be prudent to simply eliminate the one-fifth, two-fifths and three-fifths entitlements and grant a four-fifths for any partial entitlement award.

This is clearly a beneficial policy insofar as a substantive increase in pension to be received by a veteran, but we felt it was important to raise a number of questions following the introduction of this amendment:

1. Will these fractional entitlements be granted retroactively to all veterans who have received a one-fifth, two-fifths or three-fifths entitlement in the past? It was established by VAC that this will not be done automatically but will only be triggered by individual veterans initiating a review of their files by the department in order to achieve a potential increase in their fractional entitlement. NCVA strongly recommends that VAC grant automatic entitlement to those veterans currently in receipt of consequential or partial entitlement rulings at one-fifth/two-fifths/three-fifths to a four-fifths level of assessment. This will also alleviate the significant backlog of the numerous appeals with respect to fractional awards that are currently in the VAC adjudicative system.

2. Will there eventually be any limitation period as to how far back this form of increased fractional entitlement will be granted, given the magnitude of appeals that have been generated by this new policy?

3. Will the standard of assessment be more stringent when it is recognized that the partial entitlement award will be granted at a minimum of four-fifths – in the past, one-fifth awards were occasionally granted on the basis of giving the veteran applicant the benefit of the doubt – will this relative generosity be altered in the new policy guideline adjudication?

SISIP LTD/VOC-REHAB Programs

NCVA continues to have a fundamental concern as to whether SISIP LTD for service-related disabilities should be continued at all or whether it should be eliminated due to the multiple standards which exist not only with the SISIP LTD program but also the SISIP VOC-REHAB program.

One of the priority recommendations of NCVA, the MPAG, the New Veterans Charter Advisory Group, numerous veteran consultation groups, the Standing Committee on Veterans Affairs and the OVO for many years has been to suggest that the insurance culture needs to be removed from the compensation made available to veterans and their families. The compensation of veterans and their dependants should not be a function of the insurance industry whose mandate, in many situations, is to minimize exposure of the insurer's policy when applied to injured or disabled individuals.

As a matter of background, a fundamental commitment made by the Government at the time of the enactment of the New

Veterans Charter was the recognition that the SISIP LTD program should be eliminated and fully replaced by a liberalized income replacement loss benefit administered by VAC. The constraints placed on the NVC/VWA by the restrictive provisions of the SISIP LTD program and the SISIP VOC-REHAB program are felt in the present context and should be removed as soon as possible. This Government commitment made by the Minister and Deputy Minister of the day was part and parcel of the understanding between the veteran stakeholder community and VAC in consideration of the immediate passage of the Charter by Parliament in 2006.

It is to be noted that the "wellness program" strongly advocated by VAC and, more particularly, Deputy Minister Natynczyk, is clearly impacted by the fact that the greater majority of medically released CAF members fall under the administration of the SISIP VOC-REHAB program. In effect, VAC does not have the capacity to control and operate this portion of the VOC-REHAB program and is left with little accountability as to the impact that the SISIP program will have on veterans in regard to this essential element of the NVC/VWA.

With reference to the question of service- and non-service-related disabilities, it has been the experience of the veterans' community that this entire question of whether a member of the Canadian Forces is to be considered "on duty" for the purposes of pensionability either under the Pension Act or the New Veterans Charter/Veterans Well-being Act has been a longstanding grievance. The regulations in this area would be far clearer and more equitable if the Government/department agreed to adopt the "insurance principle" in this context so that all members of the military would be considered "on duty" at all times and thus eligible for various financial benefits such as the Disability Award and Income Replacement programs once they put on a uniform. This would clear up the potential interpretive issues which are raised in the regulations to the NVC/VWA and would address the confusion and ambiguity which often results when individual hypothetical cases reflect "gray areas" or areas of dispute. The resultant effect of this recognition would also further the objective of eliminating the SISIP LTD program even for non-service-related disabilities which, of course, was its original and exclusive mandate in the 1970s when it was first created.

Benefits to Support Families

NCVA remains concerned that the Government has not sufficiently addressed the plight of families, particularly in circumstances where a member of a family, often a spouse, is required to act in the role of a caregiver to a disabled veteran.

As a matter of background, the Family Caregiver Relief Benefit (FCRB) introduced in 2015 proved to be clearly inadequate and certainly required further re-evaluation, as it

failed to comprehensively provide adequate financial support for the families of seriously disabled veterans where significant needs of attendance must be provided by a caregiver who often has had to leave his or her employment to do so.

It is noteworthy that the Caregiver Recognition Benefit (CRB) replaced the existing FCRB as of April 1, 2018 and provides a slightly more generous non-taxable $1,000 a month benefit payable directly to caregivers to ostensibly recognize and honour their vital role. NCVA has raised obvious questions as to why the quantum of the Attendance Allowance or Attendant Care Benefit was not utilized as opposed to the rather meagre $12,000 a year. In addition, we have questioned the fact that this new CRB still requires that rather stringent eligibility criteria be satisfied in order for veterans' caregivers to gain entitlement to this benefit.

It is readily apparent that VAC need not "reinvent the wheel" with regard to such caregiver allowances as:

(i) DND through its "Attendant Care Benefit" program has provided reimbursement to seriously disabled veterans of Afghanistan for payments made to an attendant to look after the CAF member on a full-time basis. This benefit is paid to the CAF member at a daily rate of $100 ($3,000 a month – $36,000 a year). This benefit also implicitly represents a recognition that the financial costs of attendants far exceed the need to address respite. More importantly, a serious question remains in the context of the veteran's transition from DND to VAC as to whether the financial assistance to such families will dramatically drop from the DND program to the VAC FCRB; and

(ii) Alternatively, the Attendance Allowance, founded under the Pension Act, which has been in place for many decades and is a far more generous provision when compared to the FCRB/CRB, produces $15,000-$22,000 a year of non-taxable benefits to those veterans in significant need of attendance.

In addition, we have particularly emphasized with Ministerial officials the concern that there should be more flexibility attached to this new Caregiver Recognition Benefit as, clearly, "one size does not fit all." It is not without significance in this area that the grading levels available under the Attendance Allowance provisions of the Pension Act give the department a certain degree of discretion and flexibility as to the attendance needs of individual veterans. In our experience, there are numerous examples where substantial distinctions exist as to the need for attendance encountered by seriously disabled veterans.

It is also of significance that the MPAG is proposing a new Family Benefit for all veterans in receipt of a Disability Award based on the level of disability assessment which would provide further support to families and address, to a certain extent, the cost of the veteran's disability to his or her spouse and/or dependant children. The amount of this benefit would parallel the payments which have been made under the Pension Act for many years as part of the pension received by a disabled veteran who has a spouse

and/or dependant children. Once again, the resultant impact of balancing benefits in this manner under both statutory regimes would be particularly responsive to the current shortcoming in the NVC/VWA insofar as financial assistance to families of disabled veterans is concerned.

Post-65 Benefits

It is also to be noted that the new legislative amendments emanating from Budget 2018 (which consolidate a number of income replacement provisions into one benefit, the Income Replacement Benefit (IRB)) unfortunately still retain the inadequacies of the Retirement Income Security Benefit (RISB) which was enacted earlier by the former Conservative Government in its attempt to address the post-65 financial security for seriously disabled veterans and their families. As aforementioned, the new post-65 benefit provides a limited number of disabled veterans (less than 6 percent) with 70 percent of the Income Replacement Benefit, should the veteran be deemed as suffering a "diminished earnings capacity" as defined under the regulatory provisions of the new Act, less certain potentially significant deductions prescribed by these policy provisions.

In our view, to apply a 70 percent formula to the post-65 period for a permanently incapacitated veteran based on a public/private sector pension model is not appropriate when it is recognized that the plight of such a seriously disabled veteran post-65 remains unchanged and his or her financial costs continue to be essentially the same.

During the course of initial discussions surrounding the enactment of these post-65 provisions, strong arguments were made by NCVA and various veteran stakeholder groups that the full Earnings Loss Benefit (ELB)/Income Replacement Benefit should be continued for life, particularly given the fact that the principal recipients of this post-65 "pension" will be totally incapacitated veterans.

It is interesting to note that our Policy Advisory Group recommendations address this specific issue by establishing that a single stream of ELB/CIA payments should be continued for life, as is the case for similar Pension Act benefits, and that the RISB or post-65 benefit be eliminated – as it is self-evident that these provisions are far too complex and impact negatively on many seriously disabled veterans and, particularly, surviving spouses.

In addition, the Policy Advisory Group financial compensation model provided that, in the event ELB/CIA is indeed continued for life without deduction, surviving spouses should be entitled to 70 percent of this amount which would equate to the proposed levels of the new Canadian Forces Superannuation Act survivor benefit committed to under an earlier Minister's mandate letter. Although the resultant net effect will not provide as much financial support as the MPAG is recommending, we would confirm that the department has at least implemented a parallel provision in this context providing a survivor benefit of 70 percent for the new consolidated IRB post-65 benefit under the legislation flowing from the new PFL.