



WHERE THE LEGION STANDS

PRIMER ON NEW VETERANS CHARTER (NVC)

There has been extensive coverage in the media concerning the New Veterans Charter (NVC). A comparison is made between the Lump Sum Disability Award paid out under the NVC and the Monthly Disability Pension paid out under the Pension Act (PA).

A fairer evaluation should include all the benefits that are accessible under the Canadian Forces Members and Veterans Re-Establishment and Compensation Act, commonly known as the New Veterans Charter (NVC). It should also include an overview of additional benefits available under the Service Income Security Plan (SISIP). Implemented in April 2006, after lengthy consultation, the NVC offers Job Placement assistance, Rehabilitation Services, Financial Benefits, Health Services, Education Assistance, and Disability Benefits to current or former members of the Canadian Forces (CF), including certain Reservists, and in some cases, their families.

Financial Benefits include the following:

- A tax exempt **Disability Award (DA)** paid in a lump sum as compensation for pain and suffering for service-related disability. The basic rates are legislated and adjusted yearly based on the Consumer Price Index. The DA is not subject to any SISIP offset. In the case of a service-related death, spouses and dependent children would qualify for a DA.
- **Earnings Loss Benefit (ELB)** is a taxable monthly benefit that equals 75% of gross pre-release salary, minus the monthly amounts of other income from prescribed sources such as **SISIP**, Canada Pension Plan (**CPP**) or Canadian Forces Superannuation (**CFSA**). This offset does not include the DA. ELB can be provided on a temporary basis during a period of participation in an approved Rehabilitation program, or until age 65, if deemed "Totally and Permanently Incapacitated" for the purpose of suitable and gainful employment, or until the day of the Veteran's non service related death if Veteran has not reached age 65. ELB is also payable to a spouse and dependent children in the event of a service related death.
- **Permanent Impairment Allowance (PIA)**: a monthly taxable benefit to compensate for lost job opportunities due to injury. Can be paid out to a Veteran who has a severe and permanent impairment and has received a DA, and has been approved for the Rehabilitation program for that condition. Current payments range from approximately \$536/month to \$1,609/month;
- **Supplementary Retirement Benefit (SRB)**: a taxable lump-sum payment payable at age 65, representing 2% of the total ELB that **would have been payable** to an eligible Veteran or survivor without regard to any income offsets. The SRB is payable to a spouse in the case of a service related death. Since SRB is payable on the basis that a Veteran "would have been receiving ELB", Veterans are encouraged to apply for ELB even if they received other income which raised their total income above the maximum limit of 75% of gross pre-release salary. SRB could be \$30,000 or more; and
- **CF Income Support (CFIS)**: a non-taxable benefit available after applicant has completed Rehabilitation and deemed employable. A Veteran must demonstrate that he/she is no longer eligible for ELB, meets the Canadian residency requirement, meets the criteria related to employment and job placement and is deemed eligible to receive CFIS benefits. Monthly benefits currently range from

approximately \$1,277/month for a single veteran to \$1,943/month for a married veteran, and an additional amount of \$308/month for each dependent child.

Rehabilitation includes one-on-one case management, medical services, mental health services and various programs to help a Veteran establish a civilian career. All medically released CF members are eligible for Rehabilitation, including any former member who has an injury or illness from his/her military service that is making their transition to civilian life difficult or impossible.

There are three types of Rehabilitation:

- **Medical Rehabilitation:** includes psychiatric treatments, prescription medicine, surgery, physiotherapy, etc.;
- **Psychosocial Rehabilitation:** includes counselling, group therapy, life skills training to restore independent living; and
- **Vocational Rehabilitation:** includes one-on-one career counselling, including support for training costs.

There are other programs available under the NVC such as Health Benefits, Education Assistance, Job Placement, and Group Health Insurance, etc.

Additionally, disability benefits are provided by the Canadian Forces (CF/DND) through the **Service Income Security Insurance Plan (SISIP)** Accidental Dismemberment Insurance Plan (**ADIP**) and the Long Term Disability (**LTD**) plan. The **ADIP** Award, which can be as high as \$250,000, is payable in addition to any Disability Award or Earnings Loss Benefit paid by VAC. The **LTD** plan provides replacement income protection to any CF member released for medical reasons or if he/she becomes totally disabled. The **LTD** benefit equals 75% of a CF member's salary on release, less other sources of income, such as ELB.

The Legion acknowledges that:

- **there are gaps in the NVC;**
- the NVC was adopted without clause by clause review in Parliamentary Committee and in the Senate because of a perceived urgent need to better look after modern Veterans and their families, and to facilitate their transition to civilian life; and
- The Legion went along with the introduction of the NVC on the basis that it would be a "Living Charter" and improvements would be made when required.

The NVC Advisory Group (**NVCAG**) has made a number of recommendations concerning gaps in the NVC. This report **HONOURING OUR COMMITMENT TO VETERANS AND THEIR FAMILIES** is available at the Legion web site under Service Bureau / Advocacy.

The Parliament Standing Committee on Veterans Affairs (**ACVA**) has some recommendations to fix the gaps in the NVC in a recent report **A TIMELY TUNE-UP FOR THE LIVING NEW VETERANS CHARTER**. (also available on the Legion web site).

The recommendations of the NVCAG and ACVA are consistent with Legion Resolutions that were adopted in Winnipeg in June 2010 at the Dominion Convention.

The Government just announced improvements to the ELB (minimum annual income of \$40,000), wider access to the PIA, and critical injury allowance of \$1,000 (taxable) per month for life. Other improvements should be introduced in the near future.

WE CARE FOR ALL VETERANS OF ALL AGES AND THEIR FAMILIES.