

Brief by

Veterans Ombudsman Guy Parent

to the

Senate Standing Committee
on National Security and Defence

on

The subject matter of those elements contained in Part 4
of Bill C-74, Budget Implementation Act, 2018, No. 1

May 11, 2018

Introduction

As you undertake your study of Part 4 of Bill C-74, Budget Implementation Act, 2018, No. 1, I am sure you will agree that the changes being proposed are extremely complex.

I am hopeful that the streamlining of six existing benefits into the three new benefits that make up Pension for Life will simplify things for Veterans and their survivors who apply after April 2019. However, the transitional provisions are very complicated and Veterans Affairs Canada (VAC) has provided little guidance, beyond basic, generic information to Veterans and their families. This applies to both the transition for Veterans currently in receipt of benefits and those with applications pending.

With the proposed changes, the following six benefits will no longer exist:

1. Earnings Loss Benefit
2. Supplementary Retirement Benefit
3. Retirement Income Security Benefit
4. Career Impact Allowance
5. Career Impact Allowance Supplement
6. Disability Award

Instead the following three benefits will make up Pension for Life:

1. Pain and Suffering Compensation
2. Additional Pain and Suffering Compensation
3. Income Replacement

What I am hearing from Veterans and their families is their apprehension about the impact that these new benefits will have on them. They want and need more information on eligibility requirements, and they are very concerned about the impact on turnaround times, given the added pressure that this could put on VAC's already too large backlog of applications.

As I have said before, better communications from VAC to Veterans, including the creation of an online calculator for the new benefits, would go a long way in easing the anxiety and concerns of serving CAF members, Veterans and their families.

Preliminary Assessment & Concerns

As I reviewed the legislative provisions in Bill C-74 with a lens of fairness (ensuring that adequate benefits are in place, benefits are sufficient to meet needs, and benefits are easily and quickly accessible by those who need them), a few questions and concerns arose that I would like to bring to your attention.

1. Bill C-74 removes access for Veterans and their families to VAC's vocational rehabilitation services and corresponding Income Replacement Benefit, effective April 1, 2019, when the injury does not result primarily from service. As a result, Veterans and their families, in this situation, will lose the following benefits:

- a. Access to Vocational Rehabilitation through VAC
 - b. Top-up to 90% of salary for Income Replacement (SISIP will provide 75%)
 - c. Medical and Psychosocial Rehabilitation (after 2024)
 - d. Spouse access to Vocational Rehabilitation if the Veteran is unable to access.
2. The Bill requires that serving members with a pending application for Earnings Loss Benefit prior to April 1, 2019, but releasing after April 1, 2019, be considered under the new legislation, while Veterans' pending applications will be considered under the former Act and then their amounts protected if greater than what is provided under the new Act. This has the potential to create greater anxiety and confusion for members transitioning out of the military – those who benefit most from the ability to plan their financial future. As a result, we may see an increase in members deciding to take their release sooner than they would have perhaps otherwise done in order to potentially access more generous benefits.
 3. Finally, the Bill provides two years of the Income Replacement Benefit to a survivor of a Veteran who dies as a result of a non-service related death prior to age 65; however, if that same Veteran dies after age 65, a lifetime of Income Replacement Benefit is provided to the survivor. I am unable to determine what the rationale would be for this difference in outcome between two survivors whose Veteran passes away, potentially within days of each other – both with non-service related deaths. What was the rationale behind this change?

Of course, the devil is always in the details. In this case, there are numerous changes presented in this legislation, but many require that criteria and additional factors be prescribed in regulations. Many more details will become clear only after these and the policies have been drafted. Unfortunately, until more information is shared by VAC with the Veterans' community, including with my Office, it is difficult if not impossible to fully understand the impact of the proposed amendments.

For example, the Income Replacement Benefit and the Pain and Suffering Compensation can be reduced by other sources of compensation. Until we know exactly what will be deducted and how, we cannot determine the impact on individual Veterans.

Learning from Budget 2017 Changes

The recent changes to Veterans' benefits, outlined in Budget 2017 and effective April 1, 2018 have highlighted the importance of greater transparency as early as possible and the need for a common sense approach to communication and implementation. A scarcity of information, including a lack of application forms and policy documents, prior to the April 1, 2018 coming into force date left many Veterans feeling anxious and uncertain of their eligibility for the new programs. This creates a lack of trust between Veterans and VAC and, in some cases, has resulted in delayed access for certain Veterans to some of the new benefits. Furthermore, because many of the details outlined in the regulations and policy were not adequately communicated or consulted on with the Veterans' community, a number of issues have now been identified and access to certain programs is restricted by unintended language.

Conclusion

As Veterans Ombudsman, I have to be objective and above the politics of any particular issue. For the work done by my Office to be credible, it has to be evidence-based with the facts to support my position. In this case, without knowing more of the facts concerning the implementation of Part 4 of Bill C-74, we cannot be sure of the effect these proposed changes will have on Veterans and their families.

This lack of transparency, clear communications and clearly defined outcomes is hampering not only my Office's ability to analyze the Bill and consult on its impacts, it is impeding also individual Veterans and their families, Veterans' advocates/organizations, and other interested stakeholders, such as this Committee, from doing their due diligence.

As more information becomes available, my Office has committed to share our independent analysis of these benefits with the Veterans' community. But, without more information, we cannot do this, and that needs to change.

Guy Parent
Veterans Ombudsman