

Opinion

Liberals' plan for veterans: numbers don't add up

The more Canadians and veterans learn of the 2019 Liberal programs, the more the confusion and anger grow. How do we survive the dizzying daze induced by trying to understand veterans' benefits?



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Veterans

OTTAWA—The new federal Liberal plan for veterans is all about saving money, yet again, at the expense of veterans.

The more Canadians and veterans learn of the 2019 Liberal programs, the more the confusion and anger grow. How do we survive the dizzying daze induced by trying to understand veterans' benefits?

First, let's cut through the thick and misleading rhetoric.

The issue: Injured veterans receiving pre-April 2006 Pension Act benefits collect more in pain and suffering payments than fellow veterans receive under the post-April 2006 New Veterans Charter lump sum program. Veteran outcry prompted the Liberals to announce a completely revised program to come into effect April 2019.

Government talking points: The New Veterans Charter and the April 2019 plan are superior because they offer more than just pain and suffering payments. They both provide medical and vocational rehabilitation, education, income loss, and medical care. The April 2019 plan claims to "re-establish" lifelong pensions.

The reality: All injured Canadian Forces veterans, under all three plans essentially have access to the same income loss, medical rehabilitation and care, as well as vocational rehabilitation and education (if not too disabled). We, therefore, can set those benefits aside and compare pain, suffering, and incapacity payments amongst the three programs.

The bottom line: Substantial differences between the three programs are striking. Pain, suffering, and incapacity are the most prolific veterans' sacrifice on behalf of Canada and Canadians. And compensation for sacrifice is grossly unfair depending not upon date of injury, or release from the military but based upon arbitrary dates of application.

As the table shows, disability compensation has become increasingly miserly under each successive program introduced by the Liberals in 2005 and 2019. Veterans Affairs, in a series of hypothetical scenarios, claims that veterans will receive considerably more under

the post-April 2019 plan versus the New Veterans Charter. Furthermore, the government announcement asserts that the most disabled will benefit the greatest.

I was far too hasty (and confused) in swallowing this aspect of the announcement. Upon reflection, there is much deception here.

Setting aside the pre-2006 plans for now, when comparing the pre- and post-April 2019 plans, both programs offer an incapacity allowance of roughly similar amounts. The pre-April 2019 New Veterans Charter is taxable at \$1,828/month while the post-April 2019 plan is tax free at \$1,500/month. What is missing from the Liberal 2019 plan is the supplement currently available which pays \$1,120/month. The Liberal 2019 plan has no equivalent. This supplement vanishes into fiscally thin air.

Under the April 2019 plan, the controversial lump sum still exists but veterans can choose a payment of up to \$1150/month, depending upon level of disability and gender. Why a maximum of \$1,150? Veterans, including me, feared the government would merely offer the lump sum dissected and distributed over time, an option already in existence.

Veterans' fears were justified. A VAC Q&A document indicates that the \$1,150 "was determined by converting the value of the maximum lump sum of \$360,000 into an age-adjusted monthly payment."

Disturbingly, since "sex is a factor of life expectancy ... the calculation used to convert lump sum amounts into monthly amounts must incorporate mortality rates which are sex dependent." According to the 2019 plan, the lifetime payout to male and female veterans may be the same for similar disabilities, but females apparently will receive lower monthly payments. Female veterans should not be penalized for longevity. Their daily pain is no less nor should their suffering be amortized at a lower amount merely because they live longer.

The big picture: In terms of pain, suffering, and incapacity payments most if not all veterans who qualify for such benefits under the April 2019 plan will receive less than under programs currently available. The maximum disabled veterans under the current plan can receive is \$35,392/year taxable plus a tax free lump sum of \$365,400. Under the announced 2019 plan, the same veteran would receive a choice between \$31,800/year tax free or the same lump sum plus \$18,000/year tax free.

Additional existing and future benefits have highly restrictive criteria. Only 152 veterans have received the Critical Injury Benefit out of more than 62,000 recipients of the lump sum. The government estimates only six veterans per year will qualify going forward.

As for caregiver benefits, less than five per cent of the most disabled veterans receive the current program. The soon-to-be introduced new and improved Caregiver Relief Benefit will nearly triple that number but still represent less than 15 per cent of seriously disabled veterans and less than

two per cent of injured veterans in receipt of the lump sum.

Undoubtedly the starkest differences emerge when the New Veterans Charter and the post-April 2019 plan are both compared with the pre-2006 Pension Act programs. Justin Trudeau and the Liberals, during the 2015 election campaign, promised to return to the lifelong pension. In fact the mandate letters for both former disgraced veterans affairs minister Kent Hehr and current Veterans Affairs Minister Seamus O'Regan commit to "re-establish lifelong pensions as an option for injured veterans." However, the 2019 plan offers only 40 per cent of the amount provided by the Pension Act.

Neither the 2006 nor the 2019 plans offer additional amounts

for spouses and children, unlike the pre-2006 Pension Act. Furthermore, the manner that government determines disability levels has been far less generous post-2006 than pre-2006. As a result, the average monthly payment for pain and suffering under the 2019 plan could be less than 20 per cent of the amount awarded under the pre-2006 Pension Act.

Government claims it is investing \$3.6-billion in the post-April 2019 plan. However, it is unclear if this is new money or merely flimflam: simply rolling over money from existing programs into new programs. Sadistically procrastinating to bring about change, government has been able to transfer more than \$1-billion over the past five years once

paid to deceased World War II veterans and their survivors towards the slow trickle of program changes for Canadian Forces veterans.

Veterans and their families have sacrificed much so that Canada and Canadians can prosper in safety and security. It is unclear what Ottawa is sacrificing to recognize the lifelong pain and suffering veterans endure on a daily basis.

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Cutting through the Rhetoric: Comparing Pain, Suffering, and Benefits

ALL \$ AMOUNTS AS OF JAN. 1, 2018.	APPLICATION SUBMITTED PRE- APRIL 1, 2006	APPLICATION SUBMITTED APRIL 1, 2006- MARCH 31, 2019	APPLICATION SUBMITTED APRIL 1, 2019 OR LATER
Pain and Suffering	<ul style="list-style-type: none"> • "Disability Pension" Maximum \$2,792.53/month • Plus up to \$698.13/month for spouse and \$363.03 /\$265.29 /\$209.44/month for 1st /2nd each additional child • Average \$698/month if single and \$1082/month with spouse & 2 children • Tax free • Veteran Recipients: 63,702 	<ul style="list-style-type: none"> • "Disability Award" Maximum \$365,400 in one lump sum • Same lump sum spread out over time • No amounts for children or spouses • Average \$42,000 one-time payout • Tax free • Veteran Recipients: 62,753 	<ul style="list-style-type: none"> • "Pain and Suffering Compensation" provides a choice between a lump sum of maximum \$365,400 • Or • Maximum \$1,150/month • No amounts for children or spouses • Estimated average \$200/month • Tax free
Incapacity Allowances	<ul style="list-style-type: none"> • "Exceptional Incapacity Allowance" (Five levels) • Maximum \$1,478.29/month Tax Free • Veteran recipients: 1,524 as of March 31, 2017 	<ul style="list-style-type: none"> • "Career Impact Allowance" (Three levels) • Maximum \$1,828.67/month • Taxable • Veteran recipients: 6,280 	<ul style="list-style-type: none"> • "Additional Pain and Suffering Compensation" (Three levels) Max. \$1,500/month • Tax free
Additional Incapacity Supplements	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • "Career Impact Allowance Supplement" (One level) • \$1,120.71/month Taxable • Veteran recipients: 3,602 	<ul style="list-style-type: none"> • None
Attendance-Caregiver Benefits	<ul style="list-style-type: none"> • "Attendance Allowance" Maximum \$1,847.82/month (Five levels) Tax Free • Veteran recipients: 6,732 as of March 31, 2017 	<ul style="list-style-type: none"> • "Family Caregiver Relief Benefit" \$7,546.25/yr. (One Level) Tax free • Recipients: 305 	<ul style="list-style-type: none"> • "Caregiver Recognition Benefit" (to be introduced April 1, 2018) \$1,000/month. (One level) Tax free
Critical Injury Benefit	<p>"Critical Injury Benefit" All can apply if injury is military-related and occurs after April 1, 2006: \$72,909.24 Tax free. Veteran recipients: 152</p>		
Maximum Annual Payable Under Each Plan Assuming Spouse and Two Children (not including "Critical Injury Benefit"-Family and Attendance Allowance added separately)	<p>Including Attendance Allowance- Total: \$89,401.08/year tax free.</p> <p>Veteran Recipients with Maximum: 48 as of Sep 2017</p>	<p>\$35,392/year Taxable Plus lump sum of \$365,400 Tax Free</p> <ul style="list-style-type: none"> • Including Family Caregiver Relief Benefit-Total: \$42,938.81/year (mostly taxable except for \$7,546.25/yr Tax Free) Plus lump sum of \$365,400 Tax Free. <p>Veteran Recipients with Maximum: 11 as of Sep 2017</p>	<ul style="list-style-type: none"> • Including Caregiver Recognition Benefit- Total: \$43,800/year tax free • Or • \$30,000 Tax Free Plus one-time lump sum of \$365,400 tax free

—Source: Compiled by Sean Bruyca from Veterans Affairs Canada sources- "Facts and Figures - June 2017"; "Rates"- Effective January 1, 2018; "Pension for Life"-various "Factsheets"; and, Media Relations queries