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## **NEWS RELEASE**

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### **MP Kramp Applauds New Legislation to Improve Financial Aid for Canadian Forces Personnel and Veterans**

**Ottawa** – Daryl Kramp, Member of Parliament for Prince Edward-Hastings, welcomes yesterday’s announcement by the Honourable Jean-Pierre Blackburn, Minister of Veterans Affairs and Minister of State (Agriculture), to table changes to the New Veterans Charter to significantly improve financial support for injured Canadian Forces members and Veterans.

“The Veterans Charter is truly a living document”, said MP Kramp. “Our government is steadfast in its support of Veterans and we are demonstrating that by constantly evaluating and addressing the evolving needs of our Veterans and their families.”

#### **Improved monthly benefits**

First, by amending regulations, the government will establish a minimum pre-tax income of \$40,000 a year for Veterans who can no longer work and for those who are in rehabilitation.

The *Enhanced New Veterans Charter Act*, introduced in the House of Commons today, increases monthly financial support for injured Veterans who are no longer able to work. If passed, this Act will:

- expand eligibility for monthly allowances for seriously injured Veterans (up to \$1,609 per month, for life).
- introduce an additional \$1,000 monthly supplement to help our most seriously injured or ill Veterans.

### **Flexible options for the Disability Award**

Create new options for Canadian Forces members and Veterans who would prefer to receive the existing lump sum Disability Award as either an annual payment over any number of years or as a combination of a partial lump-sum payment and annual instalments.

With today's announcement, Veterans who receive a Disability Award will have the choice between:

- annual payments spread out over the number of years of their choice (with interest);
- part of the award as a lump sum and the rest as annual payments over the number of years of their choice (with interest); or
- a single lump sum payment.

Furthermore, at any time, Veterans who so choose may change their minds and receive the remaining amount as a lump-sum payment.

**Backgrounder** – Additional details on the *Enhanced New Veterans Charter Act*.(attached)

# *Enhanced New Veterans Charter Act*

## **Backgrounder**

Today, the Government of Canada tabled legislation to enact significant improvements to the financial support available to injured Canadian Forces (CF) members and Veterans. If passed, the *Enhanced New Veterans Charter Act* will make changes to the New Veterans Charter to address concerns raised by Veterans, their families, Veterans' organizations, advisory groups and parliamentary committees.

This legislation would:

- improve access to monthly benefits for seriously injured Veterans (up to \$1,609 per month, for life);
- introduce a monthly \$1,000 supplement for life to help our most seriously injured or ill Veterans; and
- provide flexible options for receiving a Disability Award by choosing either a lump-sum payment, annual instalments over a number of years or a combination of both.

### **Improve access to the Permanent Impairment Allowance and the Exceptional Incapacity Allowance:**

Often CF Veterans who are compensated for their injuries under the *Pension Act* later receive a new diagnosis. This new injury or illness is then compensated for under the Charter. Currently, there is a gap between the *Pension Act* and the New Veterans Charter that prevents Veterans from having all of their injuries considered for eligibility for the Permanent Impairment Allowance (PIA) or the Exceptional Incapacity Allowance (EIA). This leaves the Veteran unable to meet the criteria for accessing either the PIA or the EIA.

In this context, since the Charter was adopted, only 16 Veterans have been eligible for the PIA.

A Veteran may receive a 70% Disability Pension under the old system and a 30% Disability Award under the New Veterans Charter. Under the current rules, the Veteran is unable to access EIA because we cannot combine the 70% Disability Pension and the 30% Disability Award to meet the disability assessment threshold of 98–100% required to access the EIA. A different but equally important problem exists because today, if a Veteran's rehabilitation need is related to a pensioned condition (in this example, the condition assessed at 70%) he or she is also not eligible for the PIA.

This change is expected to extend eligibility to as many as 3,500 more Veterans.

### **Introduce a monthly \$1,000 supplement for permanently and severely injured Veterans:**

Severely injured Veterans who are receiving the PIA and are unable to be gainfully employed

will receive an additional \$1,000 per month for the rest of their lives. This would be added to other financial supports they may receive, notably a minimum of \$40,000 pre-tax per year as an Earnings Loss benefit. It is anticipated that approximately 500 Veterans will benefit from this change over the next five years.

**Provide payment options for the Disability Award:**

The tax-free Disability Award is currently a one-time payment designed solely to recognize and compensate for the non-economic impact (the pain and loss) of an injury or illness. It is in addition to other financial supports (such as the monthly Earnings Loss benefit and the PIA) which recognize the ongoing economic impact of an injury. Under this proposed change to the New Veterans Charter, CF members and Veterans will have new options for receiving their Disability Award. These options are:

- equal annual payments spread out over the number of years of their choice (with interest);
- a partial lump-sum payment with the balance paid out in annual installments over any number of years (with interest); or
- a single lump-sum payment.

Veterans who so choose will be able—at any time—to switch to a lump-sum payment to receive the balance owing to them.

**Introduce a minimum annual Earnings Loss benefit:**

In addition to the legislated changes outlined above, the regulations which govern the New Veterans Charter will be amended to include a minimum annual, pre-tax income of \$40,000 for recipients of the monthly Earnings Loss benefit. This enhancement should increase the monthly financial support available to approximately 2,300 Veterans over the next five years who either left the Canadian Forces while still at a low military rank or when military salaries were much lower than they are today.