

# INTRODUCING PENSION FOR LIFE

## NEW PENSION FOR LIFE

The Government of Canada is introducing the Pension for Life (PFL) that contains adjustments to the benefits available to members and Veterans. PFL includes three new benefits that will recognize and compensate Veterans for disability resulting from service-related injury and/or illness, expected as of April 1, 2019.

Every Veteran is different. However, one unifying experience is the major life change that results from the journey to life after service. The most successful transitions occur when a Veteran has a positive state of well-being: a balance of financial, mental, physical and social factors. Financial stability is critical. But financial security is just one of seven interdependent domains essential to a Veteran's overall well-being.

## NEW BENEFITS: RECOGNITION AND LOST INCOME, EXPECTED APRIL 1, 2019

### 1. Pain and Suffering Compensation (PSC)—non-taxable

This compensation recognizes pain and suffering experienced by a member or Veteran that has been caused by a disability resulting from a service-related injury and/or illness. It replaces the lump sum Disability Award announced in 2006. It delivers a maximum of \$1,150 per month for the life of the serving member or Veteran, or it can be provided in a lump sum payment. The highest possible lump sum payment of the PSC would be the same as the maximum Disability Award payment on the day before coming into force.

The amount of compensation is directly tied to the extent of disability resulting from injury and/or illness (see Disability Assessment factsheet) experienced by the serving member or Veteran. Not everyone will receive the maximum award. This benefit is not intended to replace lost earnings therefore it is not taxable.

### 2. Additional Pain and Suffering Compensation (APSC)—non-taxable

This benefit provides additional recognition to Veterans who are experiencing barriers to re-establishment in post-service life due to a severe and permanent impairment. Depending on the extent of the Veteran's impairment resulting from his or her service-related disability, the monthly payment would be \$500, \$1,000 or \$1,500. This benefit is not intended to replace lost earnings therefore it is not taxable.

#### Payment Calculations

If a Veteran is assessed as being Grade 1, their benefit amount will be \$1,500 per month. If Grade 2, their benefit will be \$1,000 per month. If Grade 3 their benefit will be \$500 per month. These levels of payment are determined by the extent of the Veteran's impairment and barriers to re-establishment.

### 3. Income Replacement Benefit (IRB)—taxable

The monthly benefit is designed to provide income support to Veterans who are experiencing barriers to re-establishment due to a health problem resulting primarily from service. The benefit is available to Veterans, survivors, for life, and orphans, should they need it.

For Veterans who have not yet served a full career in the military, the IRB will be increased by 1% every year until the Veteran reaches what would have been 20 years of service or age 60.

Veterans who wish to join the workforce may also earn up to \$20,000 from employment before any reduction will be made to their IRB payment. Employment income in excess of \$20,000 will be fully offset dollar for dollar from the IRB amount.

The IRB combines six pre-existing benefits into one, simpler benefit. These are: Earnings Loss Benefit, Extended Earnings Loss Benefit, Supplementary Retirement Benefit and Retirement Income Security Benefit.



Two additional existing benefits—Career Impact Allowance and Career Impact Allowance Supplement—have been replaced with a one percent adjustment to account for a Veteran’s loss of potential career progression. For eligible Veterans, this will be added once a year.

**LET’S TALK ABOUT SERVICE DELIVERY**

The Veteran community’s feedback is essential to the work we do at Veterans Affairs Canada. We know that our service delivery timeframes need to be addressed, and that Veterans and their family members need better access to clear information. We intend to focus on clarity regarding the status of applications. We will prioritize the improvement of the service delivery experience and ensure greater support for our frontline staff. Learn more about existing and planned improvements to service delivery.

**DEFINING WELL-BEING**

No matter who we are, or our stage in life, we seek well-being. Our research helped us to define well-being and its importance in helping Veterans positively establish in life after service.

Well-being is a holistic construct that includes seven interdependent domains. Employment can impact health, social integration and finances. Conversely, health, social integration or financial problems can affect the ability to find or retain a job. Learn more about well-being.

Today, VAC offers a variety of services and programs that support Veteran well-being. On April 1, 2018, we introduced six new and two enhanced programs and services that build on your service. See details in the graphic to the right.

**INTERDEPENDENCIES OF WELL-BEING**

Here we map the seven domains of well-being to the range of new and updated programs VAC will offer.



**EMPLOYMENT OR OTHER MEANINGFUL PURPOSE**

Engaged in new work, spending time with family and/or in retirement

CAREER TRANSITION SERVICES PROGRAM



**FINANCIAL SECURITY**

What’s needed to ensure well-being in all domains

CAREGIVER RECOGNITION BENEFIT



**HEALTH**

Functioning well physically, mentally, socially and spiritually

CENTRE OF EXCELLENCE ON PTSD



**LIFE SKILLS AND PREPAREDNESS**

Able to adapt expertise and well manage post-service life

VETERAN’S EDUCATION AND TRAINING BENEFIT  
UNLIMITED TIME FOR VOCATIONAL REHABILITATION



**SOCIAL INTEGRATION**

Maintain or develop mutually supportive relationships

EXPANDED ACCESS TO THE MILITARY FAMILY RESOURCE CENTRES



**HOUSING AND PHYSICAL ENVIRONMENT**

Safe, adequate and affordable accommodation

VETERAN EMERGENCY FUND



**CULTURAL AND SOCIAL ENVIRONMENT**

Understood, valued and supported by the community

VETERAN AND FAMILY WELL-BEING FUND

