

# PENSION FOR LIFE



Veterans Affairs  
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## Pension for Life Policy Advisory Group

May 1 2019

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## Outline

- Outcomes
- Benefit Overview
- Priorities and Systems Requirements for April 1, 2019
- Service Improvements
- Creating an Environment for Success
- Where are we with PFL?
- Discussion Points

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## Outcomes for Veterans

Opportunity for improved overall well-being thanks to a suite of programs and benefits which address well-being holistically through options such as rehab, education and transitional support.

Choice for Veterans and Canadian Armed Forces members living with a service-related injury and/or illness to determine the form of compensation that works best for them and their families

Life-time financial security for Veterans with health problems resulting from service in the Canadian Armed Forces; this also includes their families

Increased financial security for surviving spouses and dependent children

Streamlined and simplified compensation and administration

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## Outcomes for Veterans Affairs Canada

Successful and seamless transfer of 80,000 clients from the current complex suite of financial benefits to a new consolidated Pension for Life financial benefits model

New end-to-end digital application process.

New user-friendly processes, consistent, timely and plain language internal and external communications, successful adoption of key AGILE and digital-first principles.

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## Pension for Life – Benefit Overview

Benefit	Description
<b>Pain &amp; Suffering Compensation</b> (Non-Economic Benefit - non-taxable)	<ul style="list-style-type: none"> <li>• Replace Disability Award with monthly Pain and Suffering Compensation</li> <li>• \$1150 maximum monthly payment for life</li> <li>• Option to cash-out for a lump-sum</li> </ul> <p><b>Additional monthly amount</b> payable to Veterans who already received a Disability Award and did not have the benefit of a monthly life-time option under the PSC</p>
<b>Additional Pain &amp; Suffering Compensation</b> (Non-Economic Benefit - non-taxable)	<ul style="list-style-type: none"> <li>• New non-economic benefit to recognize severe and permanent service-related impairments</li> <li>• Three grade levels of \$500, \$1000, or \$1500</li> <li>• Monthly payment</li> </ul>
<b>Income Replacement Benefit</b> (Economic Benefit – taxable)	<ul style="list-style-type: none"> <li>• Consolidates six benefits and create the Income Replacement Benefit at 90% of pre-release salary - indexed annually.</li> <li>• Permit \$20K in allowable employment earnings (gross)</li> <li>• A survivor’s benefit increases from 50% to 70%</li> <li>• Recognize lost career progression potential with 1% annual increase (with DEC)</li> </ul>

*\*no changes to Canadian Forces Income Supplement, Education and Training Benefit or Career Transition Service*

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## Main Business Priorities April 1, 2019

Transitioning Existing Recipients to New Programs

Converting Pending Claims to New Programs

Paying Clients

Processing Existing & New Applications

Redress, National Client Contact Centre, Royal Canadian Legion, Reporting Functionality

## System Requirements

**Base** – critical features for a good working product on April 1, 2019

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**High Business Value** – high value features for increased efficiencies

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**Ideal** – nice to have items which will help operations -- lower priority

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**Future Enhancements** – items which are of value but can come later

} **Initial Operational  
Capability (IOC)**

} **Final Operational  
Capability (FOC)**

## Service Improvements for Veterans

- 8 new/updated guided web forms
  - a “tell us once” approach uses data we have on file and allows us to “call” DND data services for needed, information
- My VAC Account value proposition
  - Enhanced status tracking for financial and other benefits
  - Updates across My VAC Account to accommodate the program changes: Benefits Navigator, What can I apply for? list, Display of all the new program payments, etc.
- Guided workflows for employees will speed up processing of complex cases
- Electronic signatures

## Creating an Environment for Success

- We recognized early we needed the right people with the right skillsets in the right spots:
  - New employees hired in various disciplines (228)
  - Employees hired for three new and specialized PFL units
  - More employees hired to provide direct client service, i.e. area offices (AO's), National Contact Centre Network (NCCN), Centralized Operations Division (COD), Bureau of Pensions Advocates (BPA), Service Delivery Program Management (SDPM) Service support employees (i.e. finance, program management, etc.)
- We started training and communicating with employees months in advance using tools and supports that addressed their learning needs and that fit into their demanding schedules.
  - On-going challenges include developing training content concurrently with system development as well as the time crunch employees face while trying to learn new material while still fulfilling their operational duties.

## Creating an Environment for Success

A series of initiatives over the past year increased employee awareness and readiness for Pension For Life including:

- Visits and outreach sessions to all frontline area offices incorporating user testing on forms, letters and system components.
- PFL Change Champions helped prepare, support and provide confidence for the front lines.
- Specialized training / learning modules (face to face, train the trainer, Webex, self-paced)
- Subject matter experts engaged for key elements of design, building and implementation

## Creating an Environment for Success

A sustained and consistent communications approach help inform employees, clients and Veterans at large:

- Nearly 100 communications products created and published on both our internal and external websites
- A focused social media campaign has resulted in engagement rates on PFL related posts as high as 30%. Generally posts on our social media platforms run in the range of 2-4%.
- Over a dozen toolkits created for front-line employees
- Advertising campaign started April 15, 2019.
- Digital edition of *Salute!* published in April
- Town halls with the Minister and the Deputy as well as other face-to-face events and activities

## Creating an Environment for Success

New operational units were stood up and did pro-active outreach to clients:

- Temporary Outreach Unit (Campbellton, NB): contacted approximately 12,000 Veterans receiving the Career Impact Allowance before April 1, 2019, to explain the change to the Additional Pain and Suffering Compensation (APSC).
- DEC Unit (Winnipeg, MB): reviewed current Diminished Earnings Capacity decisions to confirm relation to service/ eligibility for IRB career progression element. This unit now makes all DEC decisions going forward
- Financial Benefits Support Unit: explains complex Income Replacement Benefit calculations to clients.

Other early initiatives included advance notice on the additional monthly amount and CAF transitionals.

## Where we are with Pension for Life?

The first month of PFL operations has gone very well. We continue to identify, prioritize and resolve issues as they arise.

We trained and empowered employees and assigned them to dedicated, multi-disciplinary teams (an approach consistent with AGILE project management).

Feedback from Veterans on social media has been neutral to positive.

Fostered a tremendously positive innovation culture that we are already leveraging for future projects.

PFL remains one of the biggest projects VAC has ever undertaken. It was implemented in *less than 15 months* from announcement to implementation.

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## Discussion Points

- **Supplementary Retirement Benefit**
  - This program ceases to exist and there is a legislative requirement to payout a one-time lump-sum to everyone eligible as of March 31, 2019.
- **Additional monthly amount**
- **Additional Pain and Suffering Compensation**

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## Questions